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SUMMARY RECORD OF THE 27th MEETING

Held at Headquarters, New York,
on Wednesday, 12 June 1991, at 3 p.m.

President: Mr. JASINSKI (Poland)
(Vice-President)

later: Mr. PIRIZ-BALLON (Uruguay)
(President)

CONTENTS

Special programmes of assistance (continued)

(a) Africa-related matters (continued)

(b) Least developed countries

Other funds and programmes: United Nations Sudano-Sahelian Office

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The meeting was called to order at 3.15 p.m.

SPECIAL PROGRAMMES OF ASSISTANCE (continued)

(a) AFRICA-RELATED MATTERS (continued) (DP/1991/L.5; DP/1991/16, 17 and 18)

(b) LEAST DEVELOPED COUNTRIES (DP/1991/19 and 61)

1. Mr. RADE (Netherlands), speaking on behalf of the 12 States members of the European Community, said that recent political developments in Africa and the democratic changes that had occurred in a number of African countries had opened up new possibilities for the continent. In view of the clear relationship between development and human freedom, those changes should be encouraged in order to promote development in Africa from within. The human development index showed that there was a clear linkage between the level of human development and the budgetary choices made by Governments. The Twelve wished to encourage Governments to make the right budgetary choices and were prepared to support developing countries in their efforts to promote human development.

2. Although resource flows to Africa had declined during the period 1986-1990, UNDP had nearly doubled the resources it allocated to Africa. A further substantial increase was expected during the fifth cycle. The Twelve welcomed that development in view of the continuing fundamental problems experienced by African countries.

3. The Social Dimensions of Adjustment (SDA) project addressed the social costs of structural adjustment processes and the need to take them into account in formulating structural adjustment programmes. The Governing Council would have to agree on certain changes in that project, since there was room for substantial improvements in its management.

4. The Twelve agreed that the economic recovery and development of Africa required a longer time-frame than traditional three-year adjustment programmes allowed. The National Long-Term Perspective Studies and Programmes (NLTPS/P) could provide a useful socio-economic framework to guide policy reform and investment programmes. UNDP should provide information on the state of preparation of the Studies and Programmes. The Twelve welcomed the figures provided in document DP/1991/16 on the increased use of African experts in general and of African female expertise in particular and agreed with the need to address the emerging priority gaps in technical assistance (para. 64). In view of the structural weaknesses in most African countries and the problems facing them, it was imperative for African countries to pursue sound national policies and for the donor community to increase its support to those countries. UNDP had a special role to play in that regard.

5. The development of sufficient transport and communications systems throughout Africa was an important objective for both African countries and

(Mr. Rade, Netherlands)

the donor community. The Twelve welcomed every attempt to enhance the coordination of efforts to make improvements in that area. If the Second United Nations Transport and Communications Decade in Africa could make a useful contribution in that regard, the Community would certainly welcome it. More attention should be paid in the context of the Decade to the environmental aspects of the transportation problem and to the need to give priority to developing less costly means of transport.

6. The Twelve stressed the importance of the Second United Nations Conference on the Least Developed Countries and the need for UNDP to integrate fully into its activities the main elements of the Programme of Action adopted at the Conference. They welcomed the intention expressed by the Administrator to request resident representatives to include the Programme of Action in their discussions with the Governments of LDCs on fifth cycle country programmes. They felt that the follow-up to the Programme of Action envisaged by UNDP was adequate and stressed the need to streamline coordination mechanisms for LDCs. It was of the utmost importance to strive for a better coordinated aid effort in those countries, which generally lacked human and institutional resources.

7. With regard to the strategies for human resources development, the Twelve welcomed the assistance to be provided by UNDP in that respect to the Governments of LDCs. It would be possible to achieve satisfactory human resources development only if the relevant policies and programmes formed part of a broader approach which included population policies, health services, education and training. Since part of the IPF resources allocated to LDCs would be substantially increased in the fifth cycle, the Twelve wondered whether it would in fact be appropriate to consolidate the Special Measures Fund for the Least Developed Countries (SMF/LDC), which had provided useful services but did not have an identifiable role to play in view of the enlarged country IPFs for LDCs. In that connection, he stressed that ongoing projects and programmes financed by the Fund should be executed as originally planned.

8. Mr. LOUP (UNDP Coordinator of Assistance to the Least Developed Countries), introducing the report of the Administrator on the Special Measures Fund for the Least Developed Countries and the role of the United Nations Development Programme in the follow-up and implementation of the Programme of Action for the Least Developed Countries for the 1990s (DP/1991/19) said that the central recommendation of the report was that it should be a priority for UNDP to strengthen the capacity of LDCs to manage their economies and coordinate the external assistance that they received from the international community. UNDP had been guided by the findings of the report in preparing its proposals with regard to both the Special Measures Fund and the UNDP role in the follow-up to the Paris Conference.

(Mr. Loup)

9. In recent years, UNDP had endeavoured to direct SMF/LDC funds towards priority sectors where additional resources could ma e a difference in enhancing development efforts by LDCs. Those attemp s had thus far failed to elicit a positive response from the donor community. UNDP had proposed to concentrate the resources of the Fund on strengthenin the economic management capacity of LDCs. However, the Fund's principal sup orters had recently made it known that they no longer wished to contribute to the Fund, their main reason being that UNDP would be allocating 55 per cen of IPF resources to the LDCs during the fifth programming cycle. If the Cou cil decided to discontinue the Fund, the necessary steps would be ta en to phase it out.

10. Since the Paris Conference, UNDP had initiated a number of steps to implement the Programme of Action. It was now propos ng to focus on the question of improving aid coordination in LDCs and th need to strengthen the policy analysis and economic management capabilities of those countries. Those would be the main priorities for UNDP technical cooperation with the LDCs in the years to come.

11. Mr. KOIKE (Japan) said that his delegation suppo ted the further strengthening of UNDP activities in priority fields i Africa, with the allocation of resources estimated at some 50 per cent of total IPF resources over the fifth programming cycle. He noted with sati faction the establishment of the Steering Committee of the United Nations Programme of Action for African Economic Recovery and Development 986-1990 (UNPAAERD) as a coordinating mechanism, the reorientation of country nd regional programmes towards UNPAAERD during the fourth cycle, the impleme tation of activities and programmes by special funds, and the launching of spe ial initiatives.

12. Although sometimes painful, the structural adjus ment policies being carried out by most African countries were vitally im ortant to their efforts to achieve long-term development objectives. His del gation hoped that the Social Dimensions of Adjustment (SDA) project would c ntinue.

13. Japan was pleased that recognition of the need f r a long-term framework for African development had led to a number of initia ives, including the National Long-Term Perspective Studies (NLTPS) and th African Capacity-Building Initiative (ACBI), which should be igorously pursued. Capacity-building in such areas as policy management nd aid coordination deserved special attention since it was essential to chieving self-reliance. UNDP activities in that field should be well-coordina ed and mutually reinforcing. His delegation was pleased to note the ncreasing participation of African consultants and non-governmental organizat ons in the development of African countries. Success in promoting national xecution had not been great, however, and national capacity-building effort should be strengthened. That could be done only when Governmen s had the requisite political will and received strategic assistance from UNDP. His delegation

(Mr. Koike, Japan)

urged the Programme to give priority to supporting such efforts in allocating its human and financial resources.

14. Japan would make every effort to help the least developed countries (LDCs) attain their development goals in a spirit of partnership between developed and developing countries. In order to achieve tangible results with limited resources, the Governments concerned must set realistic policy goals with clear priorities and concentrate available resources on attaining them. Assisting LDCs in nation-building continued to be the biggest task facing the international community in the 1990s. His delegation welcomed the Administrator's statement that UNDP would be guided by a strategy that recognized its responsibility to concentrate UNDP resources on support for the specific development needs of LDCs.

15. Japan had steadily increased its assistance to African countries and least developed countries and was now the largest donor to LDCs. In 1989, on a net disbursement basis, his country had provided aid totalling $1.6 billion. Japan had also increased its contribution to multilateral development organizations and was now the second largest contributor to the African Development Bank from outside the region and the largest contributor to the African Development Fund. It was also the largest bilateral contributor to the special programmes of assistance for low-income, debt-distressed, sub-Saharan countries. Significant progress was being made towards democracy and participatory development in Africa. Japan commended the countries concerned and intended to increase its cooperation with them.

16. Mr. BURLEY (United Nations Conference on Trade and Development (UNCTAD)) said that the Programme of Action for the Least Developed Countries for the 1990s was a strong expression of strengthened partnership, shared responsibility and mutual commitment by the LDCs and their development partners to arrest and reverse the deterioration in the socio-economic and ecological conditions of those countries. The Programme of Action called for a strengthened and expanded country review process. UNDP round tables and World Bank consultative groups would continue to be the backbone of the process of implementing the Programme. The Paris Conference had emphasized the need to organize country review meetings on a regular basis to provide sustained momentum for the development process and improve aid coordination.

17. The Paris Conference had also emphasized the need to link arrangements at the country level to those at the global level. UNCTAD was consulting with UNDP and the World Bank on ways of ensuring the implementation of the Programme of Action and on cooperation and exchanges of information between UNCTAD and those agencies in the follow-up process. The major themes of UNDP policy were reflected in the objectives of the Programme of Action. That augured particularly well for strengthening cooperation between UNCTAD and UNDP in implementing the Programme. UNDP would contribute to UNCTAD activities relating to the global-level follow-up, particularly the

(Mr. Burley)

preparation of annual reports on LDCs. UNDP field offices in LDCs would provide relevant socio-economic information for the UNCTAD country-level database. UNCTAD would increase its contribution to UNDP round tables and provide inputs through the UNDP resident representatives in LDCs on implementing the Programme of Action at the country level. UNCTAD and UNDP would conduct joint, action-oriented studies on issues of direct concern to UNDP in implementing the Programme of Action. He shared the Administrator's view that the Special Measures Fund for the Least Developed Countries would be crucial as a catalyst for promoting activities such as the preparation of human development strategies, the strengthening of aid coordination and other efforts essential to the implementation of the Programe of Action throughout the 1990s. Lastly, he stressed that an effective partnership between LDCs and their development partners should produce an international environment supportive of sound domestic policies.

18. Mr. BORJA DE MOZOTA (France) said he wished to add a few remarks to the statement made on behalf of the Twelve by the representative of the Netherlands.

19. Africa's gloomy economic prospects made urgent decisions vital. The primary responsibility for initiatives to ensure equitable growth lay with African countries themselves: many were already discharging that responsibility and should be given international support in order to promote growth, particularly in the agricultural sector. The developed countries should work to reduce the major obstacles to development and adopt a coherent approach to helping the developing countries resolve their difficulties, particularly with respect to debt and external trade. Meanwhile, the United Nations, and UNDP in particular, should maintain its special programmes for Africa.

20. The fact that UNDP resources for Africa had doubled during the fourth programming cycle was to be welcomed. If yet further improvements were to be made in meeting Africa's technical cooperation needs, NaTCAP activities should be expanded, as should multi-bilateral initiatives. His delegation supported activities designed to accelerate the process of rationalizing the objectives and activities of the various intergovernmental organizations working for African economic integration. Technical cooperation in the area of transport and telecommunications should also be further developed. Programmes for the integration of women in economic activity should be extended to more African countries, and UNDP should make deliberate use of the services of female, and particularly African female, experts. With regard to the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UNPAAERD), UNDP's view that priority should be accorded to Africa for longer than a mere three-year cycle deserved endorsement. However, it was necessary to adopt programmes which were more specific and better defined and to ensure that their funding was stable.

(Mr. Borja de Mozota, France)

21. For the least developed countries (LDCs), the nagging problem of debt required new initiatives. His delegation would continue to advocate new joint measures on the part of creditor countries in order to ensure a continued and increased flow of funding to the developing countries. In particular, official development assistance (ODA) should be maintained with a view to attaining the objectives agreed on by the international community as rapidly as possible. Trade was also of particular importance, and it was to be hoped that the successful conclusion of trade negotiations would open up new prospects for the developing countries in the framework of a strengthened multilateral system. However, the essential problem for many developing countries related to commodities, and their efforts to increase their competitiveness and diversify their economies must be supported. His delegation hoped that the efforts made in that connection by the European Economic Community would be matched by its principal partners in the developed world. Thought must also be given to ways of transferring more technology, on more favourable terms, so that LDCs could exercise increased control over their development.

22. Mr. SALES (Mozambique) expressed the hope that UNDP support for Africa would be maintained or even increased in the years to come, especially in connection with the continuing implications of UNPAAERD. Existing initiatives should be pursued, including the NaTCAP exercise and the Social Dimensions of Adjustment (SDA) project, which involved the preparation and production of vital data on the social sector and should be accompanied by broad interaction among the various parties concerned in order to facilitate the integration of social concerns and the elaboration of concrete action plans. The SDA project should be provided with sufficient resources and expanded to cover other interested African countries.

23. National execution was of critical importance for general progress in national capacity-building and the achievement of self-reliance in technical assistance. The active interest of the Regional Bureau for Africa (RBA) in practical measures supportive of national execution in a number of African countries was therefore welcome and should be extended to other interested countries. His delegation also noted the important work done by UNDP resident representatives at the field level in the area of emergency assistance, but believed that RBA could pay more attention to the linkage between emergency and development issues and might wish to intensify its consultations with other UNDP departments in that respect.

24. His delegation welcomed UNDP's participation in multi-bilateral initiatives and expected the forthcoming cluster meetings of ministers to provide impetus for closer cooperation and dialogue between African countries and UNDP. The meetings might also provide an opportunity for discussion of interesting suggestions concerning the use of Special Programme Resources (SPR) in support of UNPAAERD.

(Mr. Sales, Mozambique)

25. In conclusion, his delegation regretted to note that one of the Paris Declaration's important provisions no longer enjoyed recognition.

26. Mr. GATHUNGU (Kenya) said that the work of UNDP in Africa, particularly through the NaTCAP process, was of crucial importance. His country would soon be applying to participate in that process, which it felt contributed to African countries' efforts to improve technical cooperation with donor countries.

27. His delegation hoped that UNPAAERD would undergo a profound and detailed review. The initial response to the Programme of Action had been less than adequate: African countries had done their best, given their current economic difficulties, and it was to be hoped that other partners in the Programme would respond more actively in the future. The international community should provide sufficient resources to help African countries in the difficult task of implementing structural adjustment programmes.

28. Mr. FERNANDEZ (Observer for Liberia) endorsed the comments made by the representative of Kenya concerning UNPAAERD. Noting the many fundamental weaknesses of the SDA project reported in paragraphs 7 and 15 of document DP/1991/17, his delegation found it odd that the Administrator should request a strengthening of UNDP's capacity to perpetuate an error. To proceed as recommended would be catastrophic for the Programme's development assistance in Africa. It had been agreed that UNDP should be strengthened to perform the functions for which it was best qualified and to maintain its neutral character: it was therefore difficult to understand why UNDP, which had far fewer resources at its disposal than the World Bank, should contribute much more to the SDA project than the Bank.

29. The decision, during the Gulf crisis, to forgive one African country's $3 billion debt suggested that the time had come for some rethinking. More detailed consideration should be given to the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation. As the process of democratization unfolded in the continent, it would be increasingly difficult to pursue structural adjustment in its current form.

30. Mr. MAHBUB (Observer for Bangladesh) said that the social and economic situation of the LDCs had, on the whole, deteriorated during the 1980s. The success of the Programme of Action for the Least Developed Countries for the 1990s, adopted at the Second United Nations Conference on the Least Developed Countries, depended on the effectiveness of national policies, the allocation of additional resources and a strengthened partnership based on mutual commitments.

31. In the light of the recommendations of the Second Conference, as well as of Governing Council decision 90/51, the Administrator had proposed that the Special Measures Fund for the Least Developed Countries (SMF/LDC) concentrate

(Mr. Mahbub, Observer, Bangladesh)

on strengthening capacities related to socio-economic policy analysis and economic management, while helping to improve the aid coordination capacity of LDCs and promoting activities such as the preparation of human development strategies. His delegation was, therefore, extremely disappointed by the almost total lack of resources committed to SMF/LDC for 1991, as noted in paragraph 4 of document DP/1991/19, and strongly urged donors to contribute more generously. It also hoped that donors would respond to the call to increase contributions to the United Nations Capital Development Fund (UNCDF) by 20 per cent each year until the end of the decade, in accordance with the provisions of the Programme of Action.

32. While appreciating the Governing Council's decision to allocate 55 per cent of IPF resources to LDCs over the fifth cycle, his delegation believed that additional funds were required from other sources. It hoped that UNDP would continue to play an important role in the follow-up and implementation of the Programme of Action and urged it to further strengthen its links with UNCTAD, which had been designated by the Second Conference as the focal point for such follow-up.

33. Mr. MISSARY (Observer for Yemen) said that his country, the product of a recent happy amalgamation between two former Member States, faced many problems in merging two different economic and social structures. As the only Arab-Asian LDC, it noted the important role which UNDP must play during the coming decade in supporting the development needs of LDCs. While fully convinced that the LDCs themselves were responsible for the development of their economies, it also recognized the need for assistance from outside: in its own particular case, involving a transition to democracy and the establishment of a market economy, it needed assistance from organizations and countries in assuming the additional very heavy burdens placed upon it. It placed particular hope in the Programme of Action adopted at the Second United Nations Conference on the Least Developed Countries.

34. His delegation endorsed all the recommendations contained in document DP/1991/19 and hoped that SMF/LDC would fulfil its new mandate for the 1990s in accordance with the recommendations of the Second United Nations Conference. It also joined other delegations in recognizing the importance of private initiatives concerning the debt of LDCs and hoped that the next session of the General Assembly would generate further progress in that direction.

35. Mrs. DUDIK GAYOSO (United States of America) welcomed the efforts of UNDP to design and launch several new initiatives and programmes in support of structural adjustment and policy reform. RBA had clearly been correct in recognizing the consensus which had emerged during the term of UNPAAERD between the African States and their donor partners and, subsequently, in reformulating its traditional technical assistance programmes into activities more relevant to current priority requirements. The cluster meetings which it sponsored had also served to build a useful consensus. The Structural

(Mrs. Dudik Gayoso, United States)

Adjustment Advisory Teams for Africa (SAATA) the SDA project, the National Long-Term Perspective Studies (NLTPS) and the African Capacity-Building Initiative (ACBI) were all particularly relevant and potentially valuable efforts, deserving continued support over the next few years.

36. Her delegation looked forward to the final appraisal and review of UNPAAERD in September 1991. While UNDP should continue to concentrate its efforts on support for structural adjustment and policy reform initiatives, it seemed unlikely that an effort so broad-based and unfocused as that of UNPAAERD was appropriate for the years to come. African Governments, their donor partners and UNDP now needed to agree on the most appropriate and effective ways of ensuring that the best results were achieved from the resources allocated. In that respect, the round tables and consultative groups in which UNDP participated remained an important element of the coordination process not only for Africa but for all developing countries, and especially for the LDCs. Her delegation strongly supported the recommendation that UNDP should develop a "mission statement" and prepare with each country a strategy for building the capacity of LDCs to manage development resources.

37. Tremendous difficulties had arisen in implementing the proposal adopted eight years previously whereby economists should be recruited for RBA and selected field offices. It would be useful to receive a status report from the Bureau on how those difficulties were being overcome.

38. Noting the value and importance of the two evaluations of the Transport and Communications Decade in Africa, her delegation encouraged UNDP and African Governments to follow their recommendations. Investment in human capital to maintain existing transport systems would help substantially to spur economic growth and social development. Any UNDP projects for the Second Decade must contribute to the building and strengthening of national capabilities to plan, implement and coordinate transport and communications programmes, taking due account of the environmental consequences. Her delegation endorsed UNDP's plans to help strengthen the Pan-African Telecommunications Union and other related African organizations with a view to entrusting them, in the future, with responsibility for implementing and coordinating programmes. It also encouraged UNDP to make every possible effort to establish cost-sharing arrangements with multilateral banks or NGOs for projects and programmes in connection with the Second Decade and to ensure that its projects were coordinated with those organizations. In view of the decentralized approach being adopted by National Coordination Committees and subregional groups, UNDP must ensure that it not only provided technical assistance when needed but also closely monitored progress towards attainment of the Second Decade's reformulated objectives.

39. Noting that UNDP had been judged guilty of inadequate supervision of the SDA project, her delegation considered that the evaluation report might provide a useful opportunity for Member States to re-examine UNDP's role in the United Nations system in the light of that performance. Such a review

(Mrs. Dudik Gayoso, United States)

could provide a useful basis for the formulation of guidelines concerning the implementation of thematic activities, particularly poverty alleviation, to be financed from SPR. The first general conclusion to be drawn from the evaluations of aid coordination, SDA and NaTCAPs was that capacity-building at the level of national policy and programme planning and coordination should be a central concern of UNDP, rather than continuing to be addressed in a piecemeal fashion. Accordingly, UNDP resident representatives should be responsible for the overall management of capacity-building assistance at the country level, no matter how such assistance was financed. It was only at the country level that issues of sustainability and linkages between various parts of a Government's policy-making apparatus could be adequately addressed.

40. Her delegation saw the NaTCAP and SDA programmes as complementary elements of the UNDP-led effort to strengthen the policy capacity of Governments, particularly in the LDCs. It also saw aid coordination capacity as a further aspect of a Government's ability to formulate and implement national policies and programmes. It therefore agreed that UNDP must take the creation of self-sustaining institutional capacities for the management of development as the guiding mandate for its programmes in the LDCs. UNDP would also need to develop a conceptual framework for assisting LDCs to formulate and implement appropriate institutional development strategies. It would be useful to know how UNDP planned to meet that challenge.

41. Noting that both the NaTCAP and SDA evaluations urged UNDP to focus its efforts on long-term institutional development rather than on household surveys or macro-economic management, her delegation agreed that UNDP's comparative advantage lay in the area of human and institutional development. It considered, however, that long-term institutional development and structural adjustment were complementary processes. The evaluations were also correct in advising that UNDP should involve the specialized agencies as full partners in the formulation and implementation of institutional development and poverty alleviation strategies, but the agencies would have to modify their traditional approaches to technical cooperation in favour of greater emphasis on building self-sustaining institutional capacity. Given UNDP's lack of in-depth expertise in interdisciplinary areas such as policy analysis, administrative reform and economic, financial and environmental management, it would probably benefit from close cooperation with the Department of Technical Cooperation for Development (DTCD) in those areas. Such cooperation should include participation in the development of capacity-building concepts and techniques and in the design and evaluation of capacity-building assistance activities in DTCD's areas of expertise.

42. The recommendation that UNDP assist the Governments of least developed countries in designing strategies for human resources development was an excellent idea. In following up on the Second United Nations Conference on the Least Developed Countries, UNDP's priority role should be to assist in the development of national capacity to manage development programmes and coordinate external assistance. Strategies for human resources development

(Mrs. Dudik Gayoso, United States)

should address human development in the broad sense, taking account of population growth, addressing health and education needs and increasing opportunities for employment in productive enterprises.

43. She wished to know what UNDP's plans were for following up on the World Conference on Education for All in the Africa region.

44. Mr. Piriz-Ballon (Uruguay) took the Chair.

45. Mr. DAMIBA (Assistant Administrator and Regional Director of the Regional Bureau for Africa) said that UNDP, in agreement with African countries, had begun to translate the Human Development Report into action. First of all, it was establishing a human development profile by country. Secondly, it was developing a human development strategy and implications for each country, within which the National Long-Term Perspective Studies and Programmes (NLTPS/P) offered a useful frame of reference for defining long-term strategies. The third element consisted of refining statistical projects so that data could be collected which would ensure preparation and follow-up of a programme embodying the human dimension of development.

46. The steering committee for the Social Dimensions of Adjustment (SDA) project had met in Paris on 18-19 April with some of the African countries and donors. Its recommendations included the following: the project must not be centred in the capitals and headquarters of development or cooperation institutions but should be focused on countries; UNDP must not be the executing agency but must become the manager of a collective dialogue; the statistical system developed during the first phase of the project must be simplified to permit the rapid design of social development programmes; the strengthening of local capacities should become a priority; and modalities of execution should include giving an important role to other United Nations agencies.

47. The project was not being financed by UNDP alone, although the Programme had contributed $5 million during its first phase. UNDP was developing a new project for the fifth programming cycle which would permit the strengthening of social development capacity in Africa.

48. UNDP had been asked to play a leading role in the NLTPS/P project and was creating a consultative group of the Economic Commission for Africa, the African Development Bank, the World Bank and UNDP. Letters had been sent to all the African countries, and more than half of them had already responded positively. Missions had been sent to identify centres of excellence throughout Africa, in order to create a network of African institutions that would be able to contribute to long-term reflection on the subject. Proposals had been received on possible centres, and on that basis UNDP had developed a regional project to support national initiatives, which had been approved by the steering committee in April 1991. Throughout the process, UNDP had remained in constant contact with the Global Coalition for Africa in Washington, D.C.

49. With the agreement of the Governing Council, UNDP had recruited 22 economists in Africa, and an in-depth evaluation was needed of their functions. Accordingly, UNDP's Central Evaluation Office had just completed the terms of reference for a major evaluation, the conclusions of which would be brought to the Council's attention.

50. The Regional Bureau for Africa would be organizing cluster meetings with planning ministers in July 1991 to discuss a number of African development priorities. HIV/AIDS would be a central issue on the agenda. Approaches to the development of national plans for the environment would be discussed, and countries would share their experiences. The third major item on the agenda would be the development of a long-term consensus on methodology, organization and support needs. The cluster meetings would also address problems of regional cooperation and, lastly, would look at solutions to the problem of maternal mortality, as some 500,000 mothers died each year in Africa during childbirth.

51. Ms. GUERREIRO (Portugal) said that her Government attached great importance to African issues, particularly with regard to programme implementation in the least developed countries, including the five Portuguese-speaking African countries. Portugal contributed 0.23 per cent of its gross national product to official development assistance, almost exclusively to those same five countries. It also supported the African capacity-building initiative and the NaTCAP and round-table processes. To that end, a recent agreement had been signed by Portugal and UNDP, the main objective of which was to support action in the areas of training and national capacity-building, promotion of the private sector and coordination of assistance.

52. Her country also attached great importance to the problem of transport and communications in Africa. In cooperation with the Portuguese-speaking African countries, and in consultation with UNCTAD, Portugal was preparing a Portuguese-speaking training network. Her country was particularly involved in rehabilitating railways in the Southern African Development Coordination Conference (SADCC) region, where international communication was of great importance. Portugal was also preparing a project for Africa on telecommunications.

53. Mr. LOUP (UNDP Coordinator of Assistance to the Least Developed Countries) said that UNDP was studying ways to implement recommendations on its contribution to strengthening the capacity of the least developed countries to coordinate their external assistance. Difficulties persisted in financing the Special Measures Fund for the Least Developed Countries, which was in a desperate situation; its resources for 1991 were extremely limited. If the Fund was not replenished, it would be impossible for it to continue. Ten donor countries had said that the priorities of the least developed countries should be reflected in indicative planning figure (IPF) resources,

(Mr. Loup)

55 per cent of which would go to those countries. While there was agreement on increasing those resources, there was agreement on how that should be done.

54. The PRESIDENT said that if he heard no objection, he would take it that the Council agreed that the Drafting Group should begin to prepare draft decisions on the items just discussed.

55. It was so decided.

OTHER FUNDS AND PROGRAMMES: UNITED NATIONS SUDANO-SAHELIAN OFFICE (DP/1991/45)

56. Mr. BRANNER (Director, United Nations Sudano-Sahelian Office (UNSO)) said that the management of natural resources remained a vital issue in the region and was the prime focus of UNSO activities. UNSO continued to give high priority to assisting Governments in planning, coordinating and monitoring natural resources management.

57. One major activity was UNSO assistance to the countries of the region in preparing for UNCED. As the largest group of countries in Africa experiencing the hardships of recurrent drought, with its associated problems of intensified land degradation and poverty, the Sudano-Sahelian region had a major role to play in that Conference. UNSO represented a unique opportunity for those countries to adopt a common position on the measures necessary to tackle effectively land degradation in arid, semi-arid and sub-humid regions.

58. It would be tempting to say that in view of the magnitude of the problems facing the Sudano-Sahelian countries, the fact that many new organizations had begun to implement programmes of ecological assistance to them could only be welcomed and that even more assistance was needed. There was, however, a limit to the absorption capacity of some Governments, particularly if the assistance was difficult to coordinate or was piecemeal. In order to take effective action, long-term experience of the problems, technologies, methods and approaches relevant to the dryland setting was necessary. UNSO had more than 15 years of experience in the region. It had been the initiator of a number of activities which had had a profound impact on stabilizing the ecosystems of particular areas, activities on which others in the field had subsequently built. In pursuing its basically catalytic role, UNSO had found its status as a flexible fund specialized in a particular geographical area and focused on a specific issue to be an advantage.

59. In coming months, UNSO intended to discuss a long-term strategy with the Sudano-Sahelian countries and the main subregional organizations concerned, as well as with donors and other partners active in the field of natural resources management in dryland areas.

60. Ms. HALVORSEN (Norway), speaking also on behalf of Denmark, Finland and Sweden, said that the Nordic countries appreciated the change that had taken place in UNSO's activities over the past few years. Instead of supporting isolated projects, it was now giving priority to helping Governments plan and coordinate natural resources management. Its abandonment of a narrow project approach in favour of broader and more coherent programmes and its efforts to involve Governments in the fight against desertification were very much in line with the objectives of national execution. Development assistance should be predicated on planning and coordination being done by recipient countries, but in view of the Sahelian countries' economic plight and weak organizational structures the next report from UNSO should elaborate on the lessons learned in that area.

61. UNSO also had an important role to play in preparations for the 1992 Conference on Environment and Development,. It would have been impossible for many developing countries to participate in those preparations without outside assistance. In most of the Sahelian countries, the fight against deforestation, desertification and drought was crucial to sustainable management of land resources.

62. UNSO had played a catalytic role in creating awareness of environmental issues through its assistance in natural resources management and deforestation control. Several organizations were now providing environmental assistance in the Sahel, however, and the need for coordination among them had become pressing; UNSO must therefore redefine its role and determine what its long-term strategy should be when other organizations were doing similar work, often with greater resources. An effort must be made to determine what kind of organizational arrangement would best serve the development and environmental needs of the Sahel region.

63. Mr. RADE (Netherlands) said that, specializing as it did in the protection of natural resources in arid and semi-arid areas in Africa, UNSO was doing more or less the same work as organizations such as the Permanent Inter-State Committee on Drought Control (CILSS), UNEP and the Intergovernmental Authority on Drought and Development (IGADD), but that it had a comparative advantage in that it coordinated all such activities. His delegation wondered, however, whether the region's enormous needs were best met by the current division of activities, in which UNSO seldom took the initiative. Some duplication also seemed to exist, particularly in deforestation control, agro-forestry and natural resources management.

64. All things considered, his delegation would like to ask the UNDP Administration whether it would be desirable to incorporate UNSO into the Regional Bureau for Africa in order to mainstream its activities, wherever necessary, into UNDP general policy for Africa while safeguarding its comparative advantage in natural resources management. It would be only logical for UNDP to continue to build national capacity in Africa with respect to environmental problems and natural resources management, but that did not

(Mr. Rade, Netherlands)

necessarily require keeping UNSO in its current form. Given its regional focus, UNSO's integration into the Regional Bureau for Africa seemed the most suitable approach.

65. Mr. FALL (Observer for Senegal) welcomed the statement by the Director of UNSO and noted that the issues went beyond desertification to soil degradation and poverty in the 22 Sahelian countries. Those countries were increasingly aware of the ecological problems facing them and their Governments were now investing considerable resources in environmental programmes, despite their difficult economic situation.

66. His delegation welcomed the statement made on behalf of the Nordic countries and hoped that UNSO would continue its work on preparations for the Conference on Environment and Development and would help the countries under its mandate with follow-up activities to the Conference.

67. Mr. BORJA DE MOZOTA (France) said that UNSO's autonomy was justified, especially in view of its frequent joint action with UNEP and its cooperation with CILSS and IGADD. Its autonomous role should be reviewed, however, since it needed to maintain close and constructive relations with the two UNDP regional bureaux concerned while avoiding any duplication of effort.

68. Miss JANJUA (Pakistan) welcomed UNSO's assistance to the drought-stricken countries of Africa and recalled that Pakistan too, despite severe resource constraints, had rendered every possible assistance to the countries of the Sahel. Her delegation felt that the anti-desertification drive was very important to the Sahel region but that closer coordination was needed between UNSO and the Permanent Inter-State Committee on Drought Control.

69. Mr. BRANNER (Director, UNSO) said that it was only natural that the Council should ask for more information on the issue of planning and coordination in the next UNSO report; he had tried to explain the growing importance of that issue in his annual report. Planning and coordination was a difficult area and one where UNSO must take advantage of its links with UNDP, so that it could be dealt with at the level of individual countries. UNSO attached importance to its role in helping developing countries prepare for the Conference on Environment and Development.

70. With respect to the comments of the Nordic countries and the Netherlands on the role of UNSO vis-à-vis other agencies and within UNDP, the UNDP Administration felt that it was best for UNSO to keep its present status. The suggestion that there was duplication of effort between UNSO and other agencies such as CILSS and IGADD required clarification. CILSS and IGADD were intergovernmental agencies whose mandate involved regional coordination. UNSO had been created, at the specific request of the Sahelian Governments, to provide liaison with such agencies. There was no duplication of effort.

(Mr. Branner)

71. Replying to the representative of Pakistan, he said that UNSO maintained close contact with both the Permanent Inter-State Committee on Drought Control, which dealt mainly with West Africa, and the Intergovernmental Committee on Drought and Development, which played a similar role in East Africa.

72. The PRESIDENT said that if he heard no objection, he would take it that the Council agreed that the Drafting Group should begin to prepare draft decisions on the item under discussion.

73. It was so decided.

The meeting rose at 5.55 p.m.

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SUMMARY RECORD OF THE 28th MEETING

Held at Headquarters, New York,
on Thursday, 13 June 1991, at 3 p.m.

President: Mr. PIRIZ-BALLON (Uruguay)

CONTENTS

Programme planning (continued)

(c) Support costs: successor arrangements (continued)

Senior management structure (continued)

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The meeting was called to order at 3.15 p.m.

PROGRAMME PLANNING (continued)

(c) SUPPORT COSTS: SUCCESSOR ARRANGEMENTS (continued) (DP/1991/25 and 27)

1. Mr. KRAMER (Canada), speaking in his capacity as Vice-President of the Council, reported that he had convened informal meetings at which further informal consultations on successor arrangements had been agreed upon. Two aspects of the issue were being discussed: the substantive functioning of technical support services, at the programme and project levels and the financing of those services. Progress had been slow and difficult and although the atmosphere was positive and all delegations were willing to take the views of others into account, the time available might not be sufficient for decisions to be reached. He remained hopeful, however, that work on that issue would be completed despite the pressure of other tasks faced by Council members. Time was of the essence and all interested parties should focus on essentials rather than fall back on prepared positions. In short, the time had not yet come for a formal debate on the matter.

2. Mr. MEHDI (United Nations Industrial Development Organization, UNIDO) said that the current session of the Governing Council might well prove to be a watershed because, once a decision was taken on successor arrangements, it would have redefined the roles of, and realigned the relations between, Governments, UNDP and the agencies. Already, it was recognized that far-reaching changes needed to be made with respect to development issues and that successor arrangements should ensure better-quality operational activities and maximum cost-effectiveness. The issue of successor arrangements transcended the narrow question of reimbursements and went to the very heart of multilateralism.

3. UNIDO was fully supportive of the need for reform and welcomed the establishment of a facility for technical support services at the programme level (TSS-1). It had already proposed a comprehensive plan of reorganization that would enable it to undertake country-level analysis and provide policy advice in industrial sectors. There was uncertainty about the magnitude of the resources needed for TSS-1; the proposed $80 million might be barely sufficient.

4. The agencies saw their involvement in technical appraisal, monitoring and evaluation as a logical extension of their role as UNDP's technical partners and as a sine qua non for the technical quality of projects.

5. The sum of $44 million proposed for technical support services at the project level (TSS-2) was woefully inadequate and might prove to be a false economy, as it implied a shift of the burden of financing to the agencies, who might well refuse to assume that burden.

(Mr. Mehdi, UNIDO)

6. The consultants appointed by the Administrator had established the relative costs of services, which had now to be converted into a system of reimbursement rates that would respect the overall 10 per cent ceiling. That presented a challenge as well as an opportunity, since the resolution of outstanding issues should lead to the establishment of a scheme that was understandable and easy to apply.

7. There was some danger of establishing excessively complex schemes for the different components of the successor arrangements. Complexity carried with it a high managerial and financial burden that should and must be reduced to the minimum. It appeared that OPS was to be reimbursed at a flat rate of 10 per cent for administrative and operational services. Different organizations must not receive different reimbursements for providing similar services.

8. The limited involvement of the agencies in the implementation of Special Programme Resources was a matter of concern. The solution lay in creating greater complementarity between SPR and the new TSS-1 facility.

9. There was a demonstrated need to provide adequate transitional arrangements for the agencies. If the enormous uncertainty for the agencies was to be removed, a certain predictability was essential. There was also a need to provide training to ensure that government officials and UNDP and agency headquarters and field staff understood the new regime fully before it was applied on a large scale.

10. The manner in which special or exceptional circumstances would be dealt with under the proposed successor arrangements needed to be considered in the decision to be adopted by the Governing Council.

11. The programme of UNIDO country directors was in some jeopardy because the 10 to 12 posts funded from UNIDO's support cost income could not be assured in future bienniums. Some creative solution was therefore required.

12. Mr. FORBES WATT (Food and Agriculture Organization of the United Nations, FAO) said that FAO had contributed amply to the preparation of the new UNDP successor arrangements for support costs. FAO's views on the Administrator's proposals had been very adequately reflected in the joint agency paper on the matter and had been carefully reviewed and collectively discussed by the agencies.

13. The arrangements as proposed were complex, with different regimes applying to different organizations. There was a need to keep to a minimum time-consuming project-by-project negotiations and to ensure that strong technical support was provided to projects, including those under national execution. There was a danger of disruptive effects on the large and valuable flows of skill and expertise from agencies such as FAO to the developing countries, and effective transitional measures therefore warranted particular attention.

(Mr. Forbes Watt, FAO)

14. FAO was concerned to help ensure that the aims and goals of the proposed arrangements could be effectively achieved through the tripartite relationship and the United Nations unique system of multilateral cooperation for development. That issue lay at the heart of the future conduct of operational activities and the manner in which each partner could best use its own experience and expertise to meet the needs of developing countries, who were playing an increasingly predominant role in technical cooperation. FAO would do everything possible to ensure a well-considered and workable outcome.

15. Mr. INOUE (International Labour Organisation, ILO) expressed concern at the complexity and cost of the proposed successor arrangements and recalled that ILO was under severe financial constraints. He welcomed the Administrator's suggestion that an evaluation of the proposed arrangements should be carried out in late 1992.

16. Mr. REYES (Philippines) said that Governing Council decision 90/26 had marked the beginning of a new era in multilateral technical cooperation, defining the basic parameters of new successor arrangements. A lot more work remained to be done, however. His delegation noted with great satisfaction the series of consultations held between the Administrator and the agencies. At the current session, the Council must decide on the absolute amount of resources to be earmarked for each of the three elements of the successor arrangements and on the management of those financial resources. His delegation would be prepared to consider any proposal within the framework of Council decision 90/26 so that the new arrangements could be operational by 1 January 1992.

17. With respect to the level of resources for agency support costs in the fifth cycle, the intention of the Council had clearly been to allocate 14 per cent of programmable resources. Based on an earlier estimate of $4.5 billion in programmable resources, the amount intended for agency support costs would be roughly $630 million. Using a slightly lower amount of programmable resources ($4.476 billion), the Administrator was proposing $630 million or 14.16 per cent of programmable resources. His delegation did not have any difficulty with that amount since it was very close to the percentage agreed upon in 1990.

18. The adoption of Governing Council decision 90/26 had been subject to two conditions: first, that the successor arrangements should apply only to the five major agencies, and second, that the successor arrangements would take effect on 1 January 1992. Only projects approved on or after 1 January 1992 would be eligible for administrative and operational services (AOS) support. Therefore, transitional projects - those approved before 1 January 1992 and ongoing in the fifth cycle - would not be subject to the application of the successor arrangements. Because of those two conditions, the determination of the amount of resources to be earmarked for each of the three elements of the successor arrangements was less straightforward. Complexities could be avoided if delegations kept in mind the fact that successor arrangements had

(Mr. Reyes, Philippines)

three elements and that altogether $630 million had been appropriated, which was equivalent to 14 per cent of programmable resources. It was also important to remember that at the project level there were two kinds of support - AOS and TSS-2 - and that the proportion of AOS to programmable resources was five times that of TSS-2. Since only five major agencies would be affected by the arrangements, an amount had to be set aside to cover the usual reimbursement of 10 per cent to be claimed by the other agencies. In view of the fact that transitional projects to be implemented by the five major agencies would be provided support under the existing regime, it was also necessary to set aside an amount for that purpose.

19. Only the five agencies should be eligible for the payment of technical support services provided under TSS-1 and TSS-2. The same agencies should also be eligible for reimbursement of AOS if they implemented projects approved on or after 1 January 1992. All other agencies should be provided support under the existing regime, to be financed from the amount set aside for that purpose. Projects implemented by the five agencies in the fifth cycle but approved prior to 1 January 1992 should also be provided support under the existing regime. If any of the smaller agencies opted to join the new regime, the level of resources for each of the elements of the new regime would have to be modified accordingly.

20. Concerning the TSS-1 facility, his delegation was flexible as to how its use would be programmed, provided that programming would be based mainly on the needs of Governments. He was concerned about the administrative complexities involved if its use was based on a two-year global work programme involving the five agencies in order to respond to the needs of recipient countries. As with TSS-2, consideration should be given to the country allocation of TSS-1 resources and the delegation of authority by the Administrator to resident representatives in managing TSS-1 resources in order to ensure the effective use of the facility.

21. Since TSS-1 was intended to finance programme-level technical services to be rendered by the agencies, his delegation would be prepared to consider the distribution of TSS-1 resources among agencies based on projected demand by Governments. It suggested, however, that the proposed three-year forecast of such demand should take account of services actually rendered at the programme level by the agencies in the past.

22. TSS-2 resources were clearly intended to finance technical support services at all stages of the project cycle. Under Council decision 90/26, they should also be available to all projects in the sphere of competence of agencies operating under the new regime, regardless of whether they would be implemented by those agencies. Based on paragraph 12 of that decision, the IPF sub-line should allow payment for AOS rendered by eligible agencies of the United Nations system and external agents implementing UNDP-financed projects. If a smaller agency within the United Nations system was engaged to implement projects, it should be compensated under the old regime at

(Mr. Reyes, Phillipines)

13 per cent. However, if resources for AOS for the smaller agencies were similarly transferred to the IPF sub-line, they should be compensated at 13 per cent, of which 10 per cent should be charged to the IPF sub-line and 3 per cent to the centrally managed funds set aside for that purpose.

23. His delegation was concerned about the potential administrative complexities that that arrangement might entail. In order to obtain maximum benefit from technical assistance funded from the IPF, his delegation strongly recommended that technical support services for the various stages of the project cycle, including technical monitoring, should be charged against either TSS-2 or agency sources rather than through the project budget or the IPF, so that the IPF could be used to finance the cost of technical cooperation. One of the reasons for establishing TSS-2 was to improve the quality of projects, while preserving the IPF for funding the cost of project implementation.

24. With regard to sectoral support, his delegation endorsed the recommendation of the Administrator in document DP/1991/27 that sectoral support programmes should be continued in the fifth cycle for both UNIDO and the smaller agencies and that the amount of $30 million appropriated for sectoral support in the fifth cycle should be distributed between UNIDO and the smaller agencies according to the same ratio as in the fourth cycle. Since ICAO met the basic criteria for eligibility under the sectoral support programme, his delegation supported its inclusion in that programme.

25. The Philippines also agreed with the Administrator that there was complementarity between the sectoral support programme and TSS-1 and -2 as sources of funds for providing policy and technical advice to Governments and resident representatives at the programme and project levels. Since the smaller agencies did not yet have access to TSS-1 and -2, technical support services to be provided by those agencies could be financed from their regular budgets and the sectoral support programme. With respect to UNIDO, TSS might be considered a complementary source of funding to meet its target number of UNIDO country directors, if resources in its regular budget and the sectoral support programme proved inadequate. In conclusion, his delegation was ready to cooperate with other delegations in working out the decisions which the Council must take at the current session on successor arrangements.

SENIOR MANAGEMENT STRUCTURE (continued) (DP/1991/50 and Add.1, DP/1991/51 and 62)

26. The PRESIDENT recalled that, in accordance with a proposal made by the delegation of Tunisia and adopted by the Council, he had addressed a letter to the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) officially inviting him to introduce that Committee's report on the report on the UNDP senior management structure (DP/1991/50). In a letter dated 7 June 1991 addressed to the President, the Chairman of ACABQ had explained that the Committee's very heavy schedule did not permit him to address the Council to introduce the report in question and had pointed out

(The President)

that in paragraph 11 of its report on the revised budget estimates for the biennium 1990-1991 and the budget estimates for the biennium 1992-1993 (DP/1991/62), the Advisory Committee had recommended that the Governing Council should not take a decision on the matter at that time and had said that there was no need for the Council to act at that time on the other recommendations accepted by the Administrator, and that such decisions should be deferred until the special session of the Governing Council in February 1992.

27. Mr. JOMAA (Observer for Tunisia) expressed his delegation's disappointment that the Chairman of ACABQ was unable to accept the invitation extended to him by the Council.

28. Mr. KUFUOR (Ghana), speaking in his capacity as Chairman of the Group of 77, said that the report entitled "A strategy-based senior management structure for the United Nations Development Programme" (DP/1991/50), also known as the Kienbaum report, contained interesting analyses and proposals on the UNDP senior management structure which required careful study. The Group of 77 felt that it would be advisable to await the results of the review of the intergovernmental machinery of the Economic and Social Council and the General Assembly, to be carried out in accordance with General Assembly resolution 45/264, before further consideration was given to the Kienbaum report.

29. The views of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the report were also important. Decisions on the report should therefore be deferred until the special session of the Governing Council to be held in February 1992. Meanwhile, the Advisory Committee had asked the Administrator to provide the Governing Council with a detailed and clear report outlining all the recommendations accepted by him and their impact, financial and otherwise, on the organization. The Group of 77 hoped that that advice would be followed.

30. Mrs. DUDIK GAYOSO (United States of America) reminded delegations that the Governing Council did not function on the basis of political groupings such as the Group of 77. That was a tradition which had been respected over many years and had promoted a consensus working relationship among delegations, even in areas where there was strong disagreement. She requested delegations to abide by that tradition.

31. Mr. ALMABROUK (Observer for the Libyan Arab Jamahirya) said that any reform of the UNDP senior management structure must take into account the provisions of the relevant General Assembly resolutions and the views of Member States in that regard. That approach had been confirmed in Council decision 90/45. UNDP must be an integral part of the United Nations system and any reform of the Programme's management structure must take into consideration the restructuring of the economic and social sectors of the United Nations. The aim of management reform must be to enhance the

(Mr. Almabrouk, Observer, Libyan Arab Jamahiriya)

Programme's capacity to respond to the needs of countries and promote programme implementation. Accordingly, his delegation felt that the Kienbaum report required further in-depth analysis in view of the important issues involved. His delegation therefore supported the recommendation of ACABQ in paragraph 11 of its report (DP/1991/62).

32. Mr. SEZAKI (Japan) shared the concern expressed in the Kienbaum report (DP/1991/50) over the decline in the relative importance of UNDP as the central organ for funding United Nations technical cooperation and in the number of projects supervised by staff at headquarters. In addition, UNDP resources were likely to increase only modestly, even in absolute terms, for the current biennium, so that the ratio of administrative expenditures to programme delivery would increase.

33. His delegation endorsed, as a matter of principle, the Administrator's decision to support strategic decentralization. Indeed, it felt that in future UNDP should give greater emphasis to the formulation of innovative development strategies and to their implementation through its field network.

34. In the main, his delegation welcomed the Administrator's comments, but wished to make a number of observations. Relocation of the funds administered by UNDP within a new Bureau for Programmes and Policy would not appear to accomplish the desired objective of improving coordination with the core programme. How was that to be achieved under the new arrangement while maintaining the integrity of the funds? With respect to the Regional Bureaux, his delegation agreed that a truly decentralized organization needed clear strategic guidance from the centre and wished to emphasize the importance of the capacity of headquarters to oversee field activities; in that connection, it was worth recalling the comment in the Kienbaum report that the Regional Bureaux often had too much of a regional strategy and too little of a UNDP strategy.

35. His delegation welcomed the Administrator's statement that the proposed reclassification and upgrading of senior management posts should not entail any increase in budgetary resources, but noted that it was inconsistent with the recommendation of the Kienbaum report and others that the total number of senior level posts should be reduced. His delegation planned to carry out a comparative study of the management structure of similar bodies such as USAID, JICA and CIDA to determine whether UNDP really needed Division Managers of D-2 rank.

36. With respect to the level of the post of Director of OPS, in view of the magnitude of its responsibilities, his delegation believed that the post should be at the Assistant Secretary-General level. Similarly, the authority of the Director of the Bureau for Finance and Administration should be strengthened as much as possible and should be commensurate with an Assistant Secretary-General (ASG) ranking.

37. Ms. SUOMALAINEN (Finland), speaking also on behalf of Denmark, Norway and Sweden, said that the Kienbaum report (DP/1991/50) was correct in stating that UNDP needed a clearly articulated corporate strategy. It was time for the Governing Council to translate its decisions 90/34 and 89/20, as well as General Assembly resolution 44/211, into an effective resource mobilization strategy for the benefit of recipient countries.

38. The Nordic countries believed that the central issue was the efficient and effective functioning of UNDP operations in the field. Support requirements and changes in headquarters management systems should therefore be defined on the basis of field office needs, in the context of the strategic policy objectives set by the Governing Council. In addition, the strategic decentralization of the role of the resident representatives should be clearly defined, to ensure full understanding throughout UNDP of the new structure from the viewpoint of field operations. That definition should take into account, in accordance with General Assembly resolution 44/211, the capacity of resident representatives as resident coordinators for the entire United Nations system.

39. The Nordic countries endorsed the principle of reducing the number of units and lines reporting directly to the Administrator, and therefore endorsed the proposal to place the funds administered by UNDP within the proposed Bureau for Programmes and Policy without changing their status, flexibility of operations or degree of autonomy. However, only the General Assembly could decide to change the administrative arrangements for UNIFEM.

40. Given the importance of ensuring that the activities of the proposed Bureau for Programmes and Policy (BPP) and those of the proposed Strategy Group did not overlap, the Nordic countries would appreciate more information on the division of labour between the two new units. They also requested information on the policy implications of rearranging the groups in charge of advocacy themes, such as women in development, within BPP. They welcomed the proposed strengthening of the Central Evaluation Office (CEO) and looked forward to the results of the detailed workload study of that unit as a means of strengthening the impact of UNDP operations in the field.

41. The Nordic countries agreed with the finding of the Kienbaum report that the Office for Project Services (OPS) might have reached a growth ceiling, and endorsed the report's recommendation, also supported by ACABQ, that the role of OPS as an executing agent for UNDP-financed activities and in support of national execution should be thoroughly discussed. They also supported the recommendations on streamlining the complicated management and operational structure of UNDP human resources management.

42. The key operational proposal of the Kienbaum report was the strengthening of the Regional Bureaux through the introduction of Division Managers, which involved upgrading to the D-2 level the current role and functions of the Division Chiefs. However, the Nordic countries felt that the Regional Bureaux should have a direct operational relationship with resident representatives

(Ms. Suomalainen, Finland)

and that the latter should report directly to the Regional Bureaux, rather than to the Administrator, since day-to-day administrative operations should in principle be delegated to the field. The Nordic countries, therefore, did not favour the proposed upgrading. The transmission of policy guidance from BPP to field offices should also be clearly defined with respect to the Regional Bureaux, on the basis of different functions and levels of policy guidance.

43. Many restructuring decisions, particularly the proposed upgrading of the post of Division Chief to Division Manager, awaited the results of more detailed studies and reviews. However, the importance of ensuring an appropriate balance among posts at different levels, in order to avoid top-heaviness, should also be borne in mind. The Nordic countries believed that, with the exception of the prcposed post of Division Manager, the new structure would represent an appropriate balance. Another issue to be taken into account was the division of labour between the Governing Council and the UNDP Administration. The Governing Council's task was to give policy guidance to the Administration, while the Administration's task was to prepare strategies for policy implementation and to delegate responsibilities to the appropriate levels of the organization.

44. Mr. VAN UFFORD (Netherlands) asked how the Administrator intended to increase the approval authority of resident representatives, Division Chiefs and Regional Directors, and in particular whether a draft decision on that subject would be submitted to the Governing Council.

45. His delegation had always felt that the management of UNDP was not properly the role of the Governing Council. However, it recognized that the Kienbaum report made an interesting contribution to the Governing Council's endeavours to improve the management and governance of UNDP.

46. He disagreed with the recommendation of ACABQ that decisions on the proposed changes in the management structure of UNDP should be deferred until February 1992. The Governing Council had had ample time to consider most of the proposals, with the exception of the upgrading of the post of Division Chief to Division Manager. Clarification was required of the so-called "transmission belt" role for the new Division Managers and the Regional Bureaux, particularly as to how the new posts would strengthen the dialogue on policy and programmes between the Regional Bureaux and field offices and as to the relationship between Division Managers and the Directors of Regional Bureaux.

47. His greatest concern, however, remained the substantial upgrading of posts. The decentralization of UNDP, as a basic policy priority of both recipient and donor communities, must be pursued by decentralizing responsibility not only from headquarters to the Regional Bureaux, but also from headquarters to the field level. The upgrading of posts at headquarters threatened to lure highly qualified staff away from the field.

(Mr. Van Ufford, Netherlands)

48. He welcomed the Administrator's proposals to strengthen the Central Evaluation Office (CEO), particularly those concerning the establishment of a central Strategy Group in which CEO, the Planning and Coordination Office and the Human Development Report Office would be brought together to create a think tank that could focus on formulating a general strategy for UNDP. The success of the proposed Strategy Group would depend on its maintaining communication with the Bureau for Programmes and Policy (BPP) and the Regional Bureaux. In that regard, he would appreciate more information on the linkages between those different units and between the Human Development Report Office and the human development group within BPP.

49. He supported the general principle of giving the Administrator more time for policy development by placing fewer units under his direct supervision. He agreed that the trust funds and the Division for Global and Interregional Programmes should be integrated into BPP; the Special Unit for Technical Cooperation among Developing Countries (TCDC) could also be integrated into BPP to mainstream the programming and execution modality as effectively as possible. The United Nations Development Fund for Women (UNIFEM), however, must retain its separate identity, in keeping with its goal of giving visibility to the contributions of women to development. The relocation of the United Nations Volunteers (UNV) programme under the Office for Project Services (OPS) would pose problems for similar reasons. It would be undesirable for OPS to grow too rapidly, since some 100 posts in that office were already financed from extrabudgetary resources.

50. Mr. SIEBER (Switzerland) said that although the Kienbaum report (DP/1991/50) was very impressive, he wished the consultants had been selected earlier to give them more time to complete their study. Time constraints had resulted in certain unsatisfactory analyses, particularly for OPS, and the consultants' lack of a strategic vision for UNDP had impeded their efforts. However, they had put forward some interesting proposals for strategy approaches, which he hoped would be considered further by UNDP.

51. He fully supported the proposal, contained in the Kienbaum report and endorsed by the Administrator, that the future organizational structure of UNDP should be based on strategic decentralization. Leaner structures at headquarters and the delegation of functions and powers to the field would ensure that UNDP operations were enhanced in the area of greatest importance, namely, recipient countries. Specifically, the report proposed a reduction in the number of lines reporting directly to the Administrator from 16 to 12, and the Administrator had suggested adding UNIFEM and the Special Unit for TCDC to that number. However, despite the report's persuasive arguments for including UNIFEM in the Fund's Division of the Bureau for Programmes and Policy (BPP), the General Assembly-mandated status of UNIFEM justified its retention as a separate organization. On the other hand, he agreed that TCDC should be integrated into the Programme Development and Support Division of BPP, where it would complement the other three programme development groups.

(Mr. Sieber, Switzerland)

52. The proposal to relocate the other funds and the Division for Global and Interregional Programmes under BPP was acceptable, as long as it did not affect the identity and autonomous functioning of the funds. Unlike the Administrator, he agreed with the consultants' recommendation to split the Division of Personnel into a Division for Administration and Conditions of Service (under the Bureau for Finance and Administration) and a Human Resources Division for staffing and training functions. He urged the Administrator to reconsider his position, since the proposal would reassign tasks to the units best qualified to fulfil them.

53. He asked for more information on the functional and legal aspects of the proposed integration of the Governing Council secretariat into the new Bureau of External Relations. That arrangement would require members of the Governing Council to rely on the Director of the Council secretariat and the Director of the new Bureau for liaison with the Administrator, which seemed inappropriate for the governing body of UNDP. Moreover, the arrangement failed to reflect the Governing Council's status as the governing body of the United Nations Population Fund (UNFPA).

54. He also questioned the appropriateness of integrating the Planning and Coordination Office (PCO) into a Strategy Group, since PCO had an administrative rather than a strategic orientation. The proposed inclusion of the Central Evaluation Office (CEO) in the Strategy Group was also cause for concern, since it could endanger the vital link between CEO and field offices.

55. He requested clarification of several aspects of the proposed new post of Division Manager, including the relationship of Division Managers with the Directors and Deputy Directors of Regional Bureaux, the Administrator and field offices; the upgrading of posts to the D-2 level despite the need to guard against top-heaviness in the management structure; the effect of the 14 new D-2 posts on budget neutrality; the nature of the future functions of Deputy Directors of Regional Bureaux; the allocation of administrative capacities between Division Managers and the Bureau for Finance and Administration; and the danger of draining field offices of qualified personnel. Lastly, he requested clarification of the future role of OPS in the light of the goal of enhanced national execution and a more programme-oriented approach and the new successor arrangements for agency support costs, since those elements were barely reflected in the organizational proposal for OPS.

56. Mr. SAHLMANN (Germany) said that while the Kienbaum report and the Administrator's comments thereon had laid the groundwork for improving the senior management structure of UNDP, further analysis was necessary, particularly with respect to the need to reduce the number of senior-level posts in accordance with Governing Council decision 90/45. Additional efforts were also needed in the area of strategic decentralization, particularly through a further reduction of the number of units reporting directly to the Administrator.

(Mr. Sahlmann, Germany)

57. He hesitated to endorse all the proposed structural changes, in the absence of the most important prerequisite for a new senior management structure, namely, a comprehensive outline of a grand strategy and a corporate identity. He was also concerned about the proposed post of Division Manager and its implications for the future role of UNDP as the major operational activities funding agency in the United Nations system, for the functioning of the system of resident representatives and for the role of Deputy Directors of Regional Bureaux. The proposal appeared to involve recentralization rather than decentralization, at the risk of weakening field offices. More details would be necessary before a decision could be reached.

58. While the special relationship between UNDP and UNIFEM, as laid down in General Assembly resolutions, must be borne in mind in evaluating the recommendation to place UNIFEM under the new Bureau for Programmes and Policy (BPP), the proposed integration of the Special Unit for TCDC into BPP seemed appropriate in view of the catalytic role of UNDP in TCDC. The proposed establishment of a Strategy Group reporting directly to the Administrator was a timely and welcome idea, as was the strengthening of the Central Evaluation Office, though conflicts and overlapping between the work of the Strategy Group and that of BPP must be avoided. He would welcome more information on the proposed division of labour between those two units.

59. He could not agree with the consultants' proposals concerning the funds administered by UNDP, which would endanger their identity, nor with the proposed division of responsibilities between the Human Resources Division and the Bureau for Finance and Administration (BFA). In general, he felt that all personnel matters should be handled solely by BFA and, in any event, that the Bureau should be responsible for the administrative aspects of personnel management. He also had serious doubts about the classification of the BFA Assistant Administrator's post at the ASG level.

60. The Administrator had rightly pointed out that problems involving OPS had not been appropriately addressed by the consultants. In order to assess the future of OPS in the framework of the new senior management structure, his delegation would require an outline of the main elements of the OPS strategy for implementing the recommendations of the 1988 management review of that office. His delegation was also unable to accept the regularization of the posts of the Director and Deputy Director of OPS in the absence of that information. The proposal to create 14 posts for Division Managers at the D-2 level, although not expected to entail an increase in the budgetary resources required, threatened to lure highly qualified resident representatives away from the field to headquarters. That danger must be avoided and other options which did not entail increased costs must therefore be explored.

61. He agreed with ACABQ that the Administrator should provide the Governing Council with a clear outline, reflecting General Assembly resolution 44/211 and UNDP resolutions on the fifth cycle and on elements of the funding strategy, of the UNDP strategy for the next 5 to 10 years. Although it was

(Mr. Sahlmann, Germany)

appropriate to begin implementating the proposal for the new Bureau for Programmes and Policy, which reflected decisions already reached on the fifth cycle, his delegation would not be in a position to endorse the remaining proposals until it received such a strategy outline.

62. Mr. MORALES CARBALLO (Cuba) said that he supported the proposal of the Group of 77 to defer implementation of the Kienbaum report recommendations. Although that report had been commissioned in accordance with Governing Council decision 90/45, it went beyond the terms of reference laid down in that decision. For example, the report stated that General Assembly resolution 2688 (XXV), on the recommendation of the Jackson Report, had given UNDP a leadership role which had deteriorated over time. It went on to relate that statement to the volume of UNDP resources, which had diminished considerably, and to claim that changes in the structure and management of technical assistance would result in increased resources for UNDP. However, as his delegation had stated previously, experience had shown that there had never been any link between structural change and increased UNDP resources.

63. Chapter 3.8 of the Kienbaum report contained a proposal to transform the Governing Council into a smaller executive body that maintained ongoing contact with headquarters. However, the proposal's implication that the Standing Committee for Programme Matters should handle the analysis of all aspects of UNDP and that the Governing Council's role should be merely to adopt the Committee's conclusions as formal decisions was unacceptable. In general, he agreed with ACABQ that the recommendations in the report were not in accordance with the legislative mandates contained in General Assembly resolution 45/264 on the restructuring and revitalization of the United Nations in the economic, social and related fields. He felt that such reports were unnecessary and that what the recipient countries of UNDP technical assistance really needed was the political will of the international community to attain the goal of an 8 per cent annual increase in its contributions. The additional financial resources should not be spent on restructuring or on the creation of new posts, divisions, units, etc., but on the provision of technical assistance. It would be more fruitful for the Governing Council and the UNDP Administration to develop detailed proposals for the implementation of General Assembly resolution 45/264.

64. Mr. SAHA (India) said that his country agreed with the Kienbaum report (DP/1991/50) that there were uncertainties with regard to UNDP's vision, strategy and focus, but not necessarily for the reasons described in the report. Before UNDP had come under attack by certain Member States who wished to re-orient it, it had indeed had an unmistakable and clear focus. That focus was capacity-building in recipient countries through multilateral technical cooperation.

65. The search for what the report called a "vision" and a "grand strategy" had led to considerable confusion over concepts both within UNDP and among Member States. There was no understanding of what constituted a programme

(Mr. Saha, India)

approach or what the so-called themes were intended to achieve. The search for a grand strategy might perhaps be proving altogether counter-productive. The goal must clearly be to have a high degree of consonance among all projects and activities undertaken in a country, irrespective of their source of funding. An approach which favoured the integration of UNDP-funded activities within a narrow context was altogether untenable and could easily become the vehicle for implementing questionable concepts.

66. India welcomed the Administrator's decision to increase the project approval authority of resident representatives to $1 million, but believed that it did not go far enough in meeting present needs. Resident representatives should be delegated the authority to approve projects of up to $2 million and to approve additional allocations of up to $0.5 million.

67. The Administrator's proposals on decentralization as part of a possible new structure could, potentially, lead to greater centralization and micro-management by headquarters of field operations. Notwithstanding attempts to decentralize authority to field offices, the overall trend had clearly been towards increasing centralization, which had had a negative impact on the Programme as a whole.

68. If the new post of Division Manager was introduced, UNDP senior management would become even heavier than it now was. In view of the inevitable expansion of support staff that would follow such a move, one of the major objectives of the study, namely, a leaner and stronger UNDP, was likely to be thwarted. Despite the staff cuts proposed for the next biennium, restructuring could result in staff increases. There was a compelling case for curbing growth in UNDP staffing levels in order to rein in operational costs. Another reason for viewing the proposed post of Division Manager with caution was that such managers would have enormous cross-departmental authority and responsibility for issues ranging from programme support to personnel, finance and administration. There would always be the danger of their acting quite independently of the Directors of Regional Bureaux, thereby undermining the Directors' authority. If the proposal was implemented, the job profile must match the cross-cultural demands of what would become key positions in the organization.

69. There was a serious imbalance in the geographical distribution of resident representatives. Only 3 of the 24 resident representatives in Asia were from the region, and the Division Manager concept, if implemented, should take such factors into account from the outset.

70. UNDP had given relatively little thought, in the context of the senior management restructuring exercise, to the question of providing greater support to field offices. The new structure should not only ensure more effective control but also enable headquarters to provide full back-up support to resident representatives. In an overly centralized regime, people with

(Mr. Saha, India)

initiative at the field level would soon become frustrated. The prized jobs would then become those at headquarters, such as the proposed Division Manager posts, and there would be a progressive erosion of the quality of leadership provided at the field level.

71. India accepted the need for creating a Strategy Group attached to the Administrator's office, but was sceptical about the directions in which that Group might push the organization. UNDP might make periodic forays into controversial areas, much to its detriment. Such a Group should not stray from UNDP's mandate, which remained the provision of assistance to developing countries in the field of technical cooperation. While there was always a need for new ideas, think tanks deriving special authority from close proximity to the head of the organization needed to be constantly reminded of the context in which they operated.

72. There was a possible inconsistency between the Administrator's proposal to transfer responsibilities in personnel matters to the Regional Bureaux and invoking the United Nations common system as an argument for retaining the Division of Personnel within the Administrator's office.

73. Mr. YENEL (Observer for Turkey) said that his country disagreed with the view expressed in the Kienbaum report that there was a dilemma in UNDP as regards strategy. UNDP had a strategy, the primary aim of which was human development through the attainment of self-reliance, to be achieved by capacity-building. The report also took a rather dim view of technical cooperation among developing countries (TCDC) and, failing to grasp its importance, called for reclassification of the post of Director of the Special Unit for TCDC. Turkey favoured the retention of the post of Director at the D-2 level.

74. The report had exceeded its mandate in presenting its views on UNDP governance, suggesting that the Governing Council should not become involved in micro-management, especially in the allocation of indicative planning figures. In fact, that was an area where the Governing Council carried a major responsibility.

75. The report did not fully appreciate the role of the Governing Council secretariat, which had always been a part of the Administrator's office. When the report suggested that the secretariat become part of a new bureau to be headed by an Assistant Secretary-General, it was actually downgrading it. In fact, the Council secretariat served not only UNDP but also the United Nations Population Fund (UNFPA) and the Department of Technical Cooperation for Development.

76. Turkey agreed with ACABQ that there was no need for the Governing Council to take action on any of the recommendations of the Kienbaum report at the present time.

77. Mr. JASINSKI (Poland) said that UNDP depended not only on the critical resources of qualified staff and funds, but also on other crucial, if unquantifiable, factors such as the political climate, the state of cooperation among partners - which often hinged on interpersonal relations - and a number of other imponderables. His country supported the future orientation of UNDP in line with the concept of focused (strategic) decentralization, which meant a strengthened role for the Administrator, the Regional Bureaux and resident representatives.

78. The Regional Bureau for Arab States and Europe should have three country programme divisions covering the three subregions: West Asia, North Africa and Europe. That structure would correspond to the three regional economic commissions serving countries covered by the Bureau. The division for Europe should receive equal treatment to that enjoyed by the divisions in all other Regional Bureaux, with a corresponding field office infrastructure. Poland supported the concept of a strong Division Manager, which would be applicable to regional project divisions.

79. Regarding the impact of the study on non-UNDP projects or on components of UNDP cooperation such as recipient and donor Governments, agencies and other new actors joining the technical cooperation process, the reorganization of UNDP should be accompanied by various measures by Governments and agencies as part of a gradual and mutually supportive process.

80. Mr. CARMICHAEL (Canada) said that the Kienbaum report proposed a number of changes for UNDP which would improve its effectiveness, particularly with regard to the need for strategy formulation and delivery. His country supported the proposed creation of a Strategy Group and enhanced strategy functions for the Regional Bureaux. The time of headquarters personnel would be much more effectively spent on policy, strategy and programme concerns than, as currently, on micro-management and project administration.

81. Canada also supported the proposed strengthening of the Regional Bureaux and the delegation of significant programme and administration responsibilities to them and to field offices. More emphasis should be placed on the exercise of line management functions and Canada would have preferred a reduced role for committees. It was cause for concern that UNDP senior managers spent one third of their time at internal meetings. The Action Committee consumed considerable resources every week, and Canada therefore endorsed the proposal that it delegate most of its project approval authority to the Regional Bureaux or the field. That might help reverse the trend towards smaller projects, which ran counter to the direction UNDP should be taking.

82. Canada supported the integration of the various funds into UNDP's core structure in order to increase the efficiency and coherence of the development cooperation provided by the United Nations system. However, UNIFEM was an important exception. The fact that the Kienbaum report concentrated almost exclusively on headquarters rather than on the field was its most serious

(Mr. Carmichael, Canada)

deficiency. In that connection, it would be unfortunate if the creation of the proposed Division Manager post at the D-2 level resulted in the transfer of some of the strongest resident representatives back to headquarters to fill those posts. The Administrator should prepare a plan linking the proposed changes to the senior management structure, with detailed plans for decentralization of programme and administrative functions.

83. Mr. BORJA DE MOZOTA (France) said that the Kienbaum report was too schematic and that the technical nature of UNDP operations called for a pragmatic approach to restructuring the organization. The report did show, however, that the UNDP Administration should approach the analysis of genral development problems and the overall strategy of UNDP in a more orderly fashion, with more input from the Governing Council. Programme planning and programme implementation should be more clearly linked, and the Council should spend more time at each session on defining UNDP's role and strategy.

84. There seemed to be a consensus that more authority should be delegated to field offices in the area of administration. France was in favour of keeping the Human Resources Division attached to the office of the Administrator. External relations functions should no longer be fragmented, as more effective dissemination of information should result in enhanced mobilization of resources from donor countries. The fact that most of those countries were in Europe should encourage the UNDP management to strengthen the Geneva office. The idea of upgrading the post of Director of the Bureau of External Relations, while maintaining the Director of the Geneva office at the D-2 level, deserved support.

85. Grouping together the different units in charge of international and regional programme design or specific thematic goals was desirable. However, the specificity of some of the funds administered by UNDP must be maintained. UNIFEM, for example, should have its own director.

86. More authority should be delegated to field offices in the area of programming and administration, provided that the "transmission belt" role foreseen in the Kienbaum report was established. The Regional Bureaux should also be strengthened, provided that their staff were not almost exclusively from the region in question - a situation which might result in cultural compartmentalization. Contrary to the suggestion of the Kienbaum report, resident representatives must have direct access to the Administrator. Lastly, the role of OPS should be better defined.

87. Mr. REDZUAN (Malaysia) said that the Council should consider the spirit of General Assembly resolution 45/264 on the restructuring and revitalization of the United Nations and that, accordingly, the UNDP senior management study should not be viewed in total isolation. Malaysia welcomed the proposed reduction in the number of senior management posts in UNDP, as that would significantly reduce operational costs and enhance the Programme's effectiveness. Any attempt to create new posts and upgrade present ones should be examined thoroughly to ensure that such an exercise truly benefited

(Mr. Redzuan, Malaysia)

UNDP. The proposed creation of Division Manager posts should be undertaken only after a careful review of the possible advantages of such a move. A longer and more comprehensive study covering the Programme's organizational structure should also be undertaken, aimed at a greater balance of representation from donor and recipient countries and ensuring wider geographical distribution in UNDP's senior management structure.

88. Despite the multilateral and universal character of UNDP, the geographical distribution of resident representatives was conspicuously unbalanced; only 17 out of 42 resident representatives in Africa were from the region while in Asia, only 3 out of 24 resident representatives were from the region. The Administrator should correct that anomaly.

89. Mr. GHEKIERE (Belgium) said that the important principle of decentralization could promote greater effectiveness, but there were also dangers in giving in too quickly to local pressures and to subjective arrangements. Decentralization of the project execution process or of the managerial aspects of project execution would be acceptable. However, such decentralization should be complemented by strong attention at headquarters to new programmes. Decentralization should be sought only if it guaranteed that the quality of new projects would be objectively enhanced.

The meeting rose at 6.20 p.m.

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Held at Headquarters, New York,
on Friday, 14 June 1991, at 10 a.m.

President: Mr. PIRIZ-BALLON (Uruguay)

later: Mr. GATHUNGU (Kenya)
(Vice-President)

CONTENTS

Senior management structure (continued)

Programme implementation

(c) National execution

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The meeting was called to order at 10.15 a.m.

SENIOR MANAGEMENT STRUCTURE (continued) (DP/1991/50 and Add.1, DP/1991/51 and 62)

1. Mrs. LONGINOTTI (Italy) said that her delegation agreed with the opinion expressed in the Kienbaum report (DP/1991/50 and Add.1) that the United Nations Development Programme (UNDP) should adopt a clear-cut strategy based on the concept of general human development. It also supported the view that there should be only one Associate Administrator. Italy welcomed the proposal for a centralized strategic function composed of the current Planning and Coordination Office, the Central Evaluation Office and the Human Development Office, and supported the proposed structure for the Bureau of External Relations. The Policy Planning Committee could make a valuable contribution to the definition of strategies, and should therefore be maintained.

2. Her delegation wished to have more information regarding the location of the Special Unit for Technical Cooperation among Developing Countries (TCDC) and the United Nations Development Fund for Women (UNIFEM), including clear indications about the tasks and responsibilities of the Unit. The Administrator's proposal concerning division managers addressed the need for a "transmission belt" between UNDP headquarters and the field offices. By providing headquarters with the necessary capacity for strategic guidance, that new function would facilitate the entire process of decentralization. It would be very useful to have more information about the tasks and responsibilities of division managers. Her delegation shared the view that any upgrading of posts should take place only after substantial savings had been made in the rest of UNDP headquarters.

3. Mrs. DUDIK-GAYOSO (United States of America) said that her delegation considered the findings and recommendations of the Kienbaum report (DP/1991/50 and Add.1) to be part of the Programme's reform process, which should not be allowed to atrophy. In view of the number and breadth of the issues raised in the report, and the Administrator's comments (DP/1991/51), the issue of reform should remain on the Governing Council's agenda. At its current session, the Council would have to consider at least questions relating to the 1992-1993 budget; however, the suggestions made by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) should also be borne in mind. To the extent that the Council deferred decisions, the Administrator should defer action.

4. For several years, her delegation had been seriously concerned about the declining role of UNDP in world-wide technical assistance activities. According to the Kienbaum report, the current level of UNDP resources in real terms was almost unchanged from the level reached over 15 years earlier, and, despite optimistic targets, the outlook for the foreseeable future was not encouraging.

(Mrs. Dudik-Gayoso, United States)

5. Although the Human Development Report was viewed as a basis for a strategic planning effort, the Programme's current organizational structure could not effectively implement the goal of human development. Priorities could not be established, and no regular exchanges took place among senior management officials on questions of strategy. Those shortcomings were clearly related to the Governing Council's inability to provide UNDP with the necessary guidance.

6. The Kienbaum report sought to develop a workable operational strategy to guide UNDP. Logically, the role of the Administrator was the starting-point in that exercise. The number of deputies and units reporting to the Administrator were two long-standing issues, and her delegation believed that no additional deputy posts should be created. Furthermore, the Administrator and his deputy should make it a priority to establish better links between the Programme and the financial and administrative bodies of the United Nations.

7. While the Kienbaum report recommended that the number of units reporting directly to the Administrator should be reduced from 16 to 12, the Governing Council had decided that the reporting arrangements for two of the four units that, according to the consultants, should be removed from the Administrator's direct control - UNIFEM and the Special Unit for TCDC - should remain. Her delegation recognized the political importance delegations attached to the current reporting arrangement for those two units. Nevertheless, alternative organizational structures should be examined with a view to reducing the number of units reporting directly to the Administrator.

8. The establishment of a strategic planning unit should help improve the Programme's operations by making its objectives clearer. However, she questioned its location and wondered why it should be separate from, rather than part of, the Bureau for Programmes and Policy. Her delegation wished to know more about the functions of the proposed Strategy Group and how it would relate to the Bureau for Programmes and Policy. Apart from the reorganization, she wished to know how the work carried out by the Planning and Coordination Office, the Central Evaluation Office and the Human Development Office, and the relationship among them, would change.

9. Her delegation welcomed the Administrator's intention to strengthen the Central Evaluation Office, and wished to know when the detailed workload study would be completed, and what specific steps had already been taken to improve the evaluation mechanism.

10. With respect to the establishment of a new Organization and Methods Unit under the existing Division for Audit and Management Review, her delegation considered that it might be more advisable to include that function within an existing department, or to establish a task force of those involved in various aspects of the Programme's work to propose improvements on the basis of their experience.

(Mrs. Dudik-Gayoso, United States)

11. The audit and management functions should form part of the Strategy Group. One of the main weaknesses of UNDP was the lack of systematic communication which appeared to exist between programme and budget, finance and administrative functions.

12. There was no indication that the restructuring of the Programme's external relations function had resulted in staff reductions. While it was important to increase the Programme's public profile as a development organization, the new structure should not lead to a significant increase in spending on public relations. Her delegation wished to have a precise definition of the specific functions of the Bureau of External Relations, and details about how those functions would relate to new or ongoing functions of field offices. The new unit should also play an important role in ensuring that UNDP staff at headquarters and in the field had better information about the decisions taken by the Governing Council. She wished to know whether the restructuring of external relations activities would improve the Council secretariat's role in that area.

13. Her delegation concurred with the Administrator's decision to transfer various personnel functions to the bureaux and the field offices, since that reflected a more decentralized approach to management. She would appreciate information regarding staff redeployment or savings that had been achieved by such measures, as well as details about the specific functions of the bureaux and the field offices in the personnel area, and what additional activities would be transferred as a result of the change.

14. The establishment of a new Bureau for Programmes and Policy should strengthen linkages between the Strategy Division and senior management, the regional bureaux and the field offices, and her delegation wished to know exactly how the Administrator intended to improve those important linkages. Within the new Bureau, the Administrator had established a new Programme Development and Support Division, which included four separate groups. According to the Administrator's report, the head of each group would be a D-2 during the start-up phase. Justification should be provided for the grade levels for those posts, since they might be too high for the responsibilities and workloads to be undertaken. In addition, the Administrator should inform the Governing Council about his plans for the Strategy Division once the start-up phase had been completed. The Bureau for Programmes and Policy would also include the Division for Global and Interregional Programmes; that change should lead to a better focus and integration of activities carried by that Division in the main programmes of UNDP.

15. Her delegation agreed with the Administrator that the United Nations Capital Development Fund (UNCDF), the United Nations Sudano-Sahelian Office (UNSO), the United Nations Fund for Science and Technology for Development, and the United Nations Revolving Fund for Natural Resources Exploration should be under the control of the Director of the Bureau for Programmes and Policy. Her delegation also agreed that the operational functions of those programmes

(Mrs. Dudik-Gayoso, United States)

should not be transferred to the field offices. Given the level of resources of UNCDF, that Fund should remain a separate entity within the Bureau for Programmes and Policy. It might also be advisable to transfer the operational functions of UNSO to the Regional Bureau for Africa. She agreed with the Administrator's proposals regarding the location of the United Nations Volunteers programme (UNV).

16. Over the past 15 years, the productivity of headquarters staff had declined. The Kienbaum report provided numerous charts detailing the project approval process at headquarters, which seemed to support the conclusion that the Programme's bureaucracy was outdated and cumbersome. The new process promoted sharing of information and experience among different regional bureaux, and improved the quality of the Programme's activities. It was essential that any changes that UNDP might make did not result in a step backward towards the situation that had prevailed a number of years earlier. The Administrator should undertake a thorough review of the internal review and accountability procedures, and provide a detailed report on his findings to the Governing Council. Such a review and report would be an essential prerequisite to any decision to increase the delegation of authority to UNDP resident representatives to $1 million. At the same time, it would be useful to examine the level of approval authority delegated to headquarters units. Her delegation supported the transfer of increased budget and administrative capabilities to the field.

17. The increase in staff at headquarters had included an increase in the number of top-level posts. Growth in posts at the D-1 and D-2 levels appeared to be related to the expansion of the number of individual units within the Administration. In order to reverse those trends, steps should be taken to reduce headquarters staffing by 30 per cent. Her delegation shared the doubts of others about the growth of the Office for Project Services. Both the Administrator and the Governing Council should try, once again, to define the role of that Office.

18. The Administrator's proposed administrative budget for 1992-1993 appeared to be a step towards staff redeployment, if not reduction. A large number of core budget posts had been abolished, but some had only been transferred to another funding source. Further reductions were needed, particularly at the more senior levels. Such cuts could be achieved only through additional organizational changes, including the merger of smaller units and departments.

19. Her delegation accepted the concept of the division manager post, and the need to enhance coordination and feedback with the field. The division managers should provide greater support to field offices than existed under current arrangements, and should interpret headquarters policy to the field. They should be the primary interlocutors of the resident representatives at headquarters, and should have a rank sufficient to that task. Her delegation was prepared to support the concept of the division manager, but believed that

(Mrs. Dudik-Gayoso, United States)

it might be too early to accept that all of those posts should be graded at the D-2 level. The Governing Council should consider adding posts or upgrading existing posts at its regular session in 1992.

20. Her delegation regretted that no specific proposals had been made to reduce either under-secretary-general or assistant secretary-general posts, and urged the Administrator to reconsider that issue and organizational changes that might lead to a reduction of such posts.

21. The Administrator should prepare an action plan indicating when he planned to implement the recommendations on which he would take action and what studies were to be undertaken, with a specific time-frame for those issues or recommendations that required further consideration. A follow-up of that action plan could be considered by the Governing Council at a future session.

22. Mr. TWITE (United Kingdom) said that his delegation had taken note of the letter from the Chairman of ACABQ. While it would be preferable for a comprehensive decision on the question of the senior management structure of UNDP to be adopted at the current session, it was important to take the views of ACABQ into account and to consider the possibility of deferring a decision on certain aspects of the issue to a future session.

23. The United Kingdom supported the main thrust of the Kienbaum report (DP/1991/50) and the need for a clearer strategy for UNDP, more macro-management by senior officials, greater decentralization of functions and authority, and a rationalized structure, including a reduction in the number of units reporting directly to the Administrator. His delegation believed that the consultants had done a very good job in the time available; any gaps or oversights, for instance, the failure to recognize the bottom-up approach, or the treatment of the Office for Project Services, were understandable and forgivable. He welcomed the steps which the Administrator had taken and was planning to take in pursuit of the report's recommendations.

24. The review of the senior management structure and any changes resulting therefrom should be viewed as means rather than as ends in themselves. The objective which was being sought was the best possible delivery of service within the United Nations and wider development systems, together with the best possible management of that service. The Governing Council should not expect that changing the structure of UNDP would automatically improve service delivery. Other steps were necessary, and for that reason, his delegation welcomed the initiatives taken by the Administrator, as set out in paragraph 46 of document DP/1991/51.

25. Turning to the substance of the report, he said that, while his delegation welcomed the significant steps taken by the Administrator, with the assistance of the Council, to develop a strategy using the fifth-cycle themes, the Human Development Report 1991 and other elements, it believed that more

(Mr. Twite, United Kingdom)

could be done. More strategic thinking was needed with regard to the areas of comparative advantage of UNDP and its position in the development system, the future role of the United Nations trust funds and the Office for Project Services vis-à-vis the core programme, and the response by UNDP to General Assembly resolution 44/211.

26. The United Kingdom also believed that the number of administrative units reporting to the Administrator should be reduced by more than the proposed 14. In particular, it supported the suggestion made by other delegations that the Special Unit for TCDC should be placed under the Bureau for Programmes and Policy. The repositioning of a unit did not imply a decline in its status or a lack of emphasis on the activities which it covered. The Special Unit for TCDC made sense functionally and would improve organizational efficiency. In that connection, UNIFEM should remain where it was for the reasons outlined by other delegations.

27. The question of decentralization and the respective roles of senior managers, the Regional Bureaux and the field offices was a thorny one. His delegation supported the move towards decentralization and the proposed shift of functions and authority to the field. Such moves must be accompanied by adequate preparation in the form of clearly redefined job descriptions and training, and by an accompanying shift in personal responsibility. In that connection, his delegation took note of the comment made in the Kienbaum report concerning a lack of "process ownership", and welcomed the steps outlined in paragraph 17 of document DP/1991/51. However, the United Kingdom was far from convinced that the use of the Division Managers as "transmission belts" was a necessary part of decentralization. His delegation agreed with others that the bottom-up process was a very important part of the working methods of UNDP, and failed to see how an extra tier could improve the flow of information from the field to headquarters and vice versa. Likewise, it remained to be convinced that the extra tier reflected the real needs of the Regional Bureaux in the context of greater decentralization. The Regional Bureaux should pass day-to-day management tasks on to the field, and should concentrate on strategy and programming.

28. Before senior management changes were made, the full staffing implications of such measures in the field offices and Regional Bureaux should be considered. It was to be hoped that steps towards decentralization would be accompanied by a full and objective assessment of staffing and managerial needs in those areas. His delegation had taken note of the initiative described by the Administrator in paragraphs 12 to 15 of document DP/1991/51, but was uncertain as to what exactly the two in-house teams were doing and what their timetable was. He would be grateful for more information on that subject and on the field-level report mentioned in paragraph 15 of the same document.

(Mr. Twite, United Kingdom)

29. His delegation supported the idea of a strengthened Bureau for Programmes and Policy; agreed with the Administrator that the funds should not be split, with operations going to the Regional Bureaux, as suggested in the Kienbaum report; and rejected the idea of putting UNV under the Office for Project Services. However, while supporting the strengthening of the Central Evaluation Office, his delegation remained to be convinced that its proper place was in the Strategy Group. While the Office's move towards broader evaluations was acceptable, highly strategic evaluations could easily become almost meaningless. Accordingly, there was at least a need for the Office to supervise and maintain criteria for evaluations by line managers. In his view, the Bureau for Programmes and Policy, the proposed successor of the Bureau for Programme Policy and Evaluation, was the right place for the Office, provided that it could effectively transmit ideas to the Strategy Group.

30. The United Kingdom supported the Administrator's proposals for the new Bureau for External Relations and for the Human Resources Division, although with regard to the latter, the old title would be preferable to the new one. With regard to the proposal to split the personnel functions, while it was always difficult to decide where personnel matters ended and finance or budgeting began, he supported the Administrator's conclusions. As to the generally excellent Bureau for Finance and Administration, he would like to know how UNDP intended to address the needs outlined in paragraph 76 of document DP/1991/51.

31. His delegation, like ACABQ, found the justification in the report for grade classifications and reclassifications to be inadequate. The United Nations had a continuing commitment to review senior posts and UNDP must be flexible in its approach. It was not necessary for bureau heads to be assistant secretaries-general or for division heads to be at the D-2 level. Functions and responsibility, rather than status, must be the criteria.

32. It should also be noted that the effect of any restructuring must be kept under evaluation and review. UNDP must be candid as to which aspects of the structure were not working as well as they should.

33. Lastly, if UNDP was to be effective, the Governing Council must play its part. The idea in the Kienbaum report of more permanent governance deserved consideration. There was also a need for the Governing Council to focus on the macro-level. His delegation believed that the Council should discipline itself and that its members should encourage one another to concentrate on major issues and policies.

34. Mr. POPESCU (Romania) said that the organizational arrangements of UNDP had evolved since 1970 in order to reflect changing needs and legislative requirements. UNDP should continuously adapt itself to the tasks entrusted to it by the General Assembly, the Economic and Social Council and the Governing Council. At the start of a new decade, UNDP must adopt the management structure which it needed in order to cope with the challenges of the 1990s.

(Mr. Popescu, Romania)

35. His delegation could accept several of the suggestions made in the Kienbaum report (DP/1991/50), including further decentralization, reducing the number of reporting lines, and centralizing strategic functions. However, it could not accept the recommendations to dissolve the Special Unit for TCDC or the Resource Mobilization Unit.

36. Governance was essential in implementing the mandate of UNDP within the current legislative framework. Recalling the 1970 Consensus endorsed by General Assembly resolution 2688 (XXV), he said that it clearly defined the role of the Governing Council, which was to provide general policy, guidance and direction for UNDP and to have overall responsibility for ensuring that UNDP resources were employed with maximum efficiency and effectiveness, and the role of the Administrator, which was to manage UNDP under the guidance and control of the Governing Council and to be fully accountable to the Council for all aspects of UNDP operations. Being accountable to the Council did not mean that the Administrator should be appointed by it, as suggested in the Kienbaum report. UNDP was a subsidiary organ of the General Assembly and was administered under its authority and that of the Economic and Social Council.

37. He disagreed with the consultants' view that the allocation of indicative planning figure resources among countries - a task which involved the Governments of all the donor and recipient countries - was merely a micro-management exercise; nor did he feel that appointments to senior posts deserved that characterization.

38. Admittedly, having one regular session of the Governing Council per year was not the best formula. However, in view of their agendas, the special sessions held in February could be viewed as equivalent to regular sessions. Moreover, inter-sessional contacts between UNDP headquarters and members of the Council had intensified as a result of the consultation process. Another mechanism to improve the Council's efficiency which was currently being tested was the Standing Committee for Programme Matters. While his delegation could agree to the proposal for shorter and more frequent sessions of the Council, it could not accept the idea of a smaller, "executive" Council, as proposed by the consultants.

39. Romania was satisfied with the Administrator's decision that UNIFEM should continue to report directly to him, and believed that the same should apply to the Special Unit for TCDC, which should remain as a separate unit within UNDP.

40. Concerning the reorganization of external relations activities, his delegation felt that matters pertaining to the Council should not be combined with public relations and resource mobilization activities. The Governing Council division, by whatever name it was known, should be an independent unit reporting directly to the Administrator.

(Mr. Popescu, Romania)

41. His delegation welcomed the establishment of the Division for Europe, which should be strengthened. In view of the more active involvement of UNDP in technical cooperation for the transformation and recovery of Eastern Europe, and the opening of new offices in that subregion, the Division would have increasing responsibility. For that reason, Romania believed that it should have the same organizational framework as other geographic divisions.

42. Whatever the outcome of the senior management restructuring, the Council should bear in mind the basic principles of the 1970 Consensus: the senior management's full accountability to the Governing Council, and decentralization to the country level.

43. Mr. LIU Lianke (China) said that the 1990s posed new challenges for international and multilateral economic and technical cooperation. His delegation welcomed the proposed restructuring by UNDP of its senior management so as to strengthen its guiding role at the macro-level. In that way, UNDP could provide better support and assistance for the developing countries, and its comparative advantages could be better utilized.

44. The senior management restructuring should be guided by the basic principles of streamlining, decentralization and enhanced efficiency. The functions of the headquarters units should be more clearly focused so as to reduce unnecessary overlap and to utilize fully the potential of the available personnel. UNDP programme activities could thus achieve greater efficiency. The top-level units at headquarters should also free themselves from daily routines in order to concentrate on policy and major studies. They should establish strategic priorities, provide macro-policy guidance for the field activities of UNDP, and promote consultations at the macro-level for programme execution.

45. As national execution had become the standard model for programme implementation, the responsibilities of the field offices had increased. UNDP headquarters should delegate as much power as possible to the field offices to carry out programme support activities, and should streamline programme and project approval procedures so as to improve the efficiency of programme implementation.

46. His delegation supported the Administrator's proposal to increase the authority of the resident representatives and the division chiefs in the area of project approval.

47. The reform of the senior management structure was a highly complex issue requiring concerted efforts by all Member States. His delegation was ready to join with others in holding consultations on the issue.

48. Mr. CHEKAY (Union of Soviet Socialist Republics) said that, in the light of the Administrator's comments on the recommendations of the Kienbaum report, the Administration of UNDP should define its criteria for accepting or rejecting the consultants' recommendations, with due regard for the opinions of the Governing Council and the interests of United Nations technical cooperation and operational activities for the years to come.

49. Section 6.3 of the Kienbaum report (DP/1991/50) asked the question: "Does UNDP want to remain a funding and project-executing institution or does it want to rely increasingly on national execution and concentrate on becoming a thought leader?" In that sentence, the word "leader" should be replaced by the word "generator". Such a change would in no way diminish the Programme's universally recognized leading role and would only emphasize its democratic character.

50. While his delegation fully agreed with the opinion expressed in section 2.1.2 of the report that "being neutral might be a major element of a strategy", it proposed that the words "might be" should be replaced by "should remain". The most promising of the alternative scenarios for UNDP strategy described in section 2.2 seemed to be alternative grand strategy 2, entitled "General human development".

51. With respect to the question of geographical subdivisions, UNDP should not reduce its concentration on particular regions. In the light of the growing importance of the concepts of interdependence and the primacy of common human values, more attention should be paid to global and interregional programmes.

52. Staffing was an extremely important issue. There were at least two approaches to a senior management policy: either proceed from the interests of UNDP as an organization, or take account of Member States' eagerness to use national experience in the interests of UNDP, and the Programme's experience in national economies and administration. In the latter case, wider geographical representation and rotation would be desirable. The most realistic approach would probably be an optimal combination of the two.

53. His delegation supported the idea of strategic decentralization as the most appropriate precondition for the structure of UNDP. With respect to the improvement of administrative functions, and in connection with the statement that "the Integrative Administrative Systems team is undergoing a major effort to revamp the institutions' administrative structure", his delegation requested information about the role of the institutions and of the Director-General for Development and International Economic Cooperation in such work.

54. More information should be provided on the permanent governance of the Programme's work by a small group of experts, including information on the composition of the group, and the financial implications for both Member States and UNDP. Finally, his delegation wished to have answers to the questions raised in section 6.2.4 about the role of governing bodies.

PROGRAMME IMPLEMENTATION

(c) NATIONAL EXECUTION (DP/1991/23)

55. Mr. EDGREN (Assistant Administrator and Director of the Bureau for Programme Policy and Evaluation), introducing the agenda item, drew attention to document DP/1991/23, which had been prepared in response to Governing Council decision 90/21 requesting the Administrator to submit proposals for assisting recipient Governments in building up their programme management and administrative capacities. The proposals had taken account of: flexible approaches in providing support to national programmes; greater decentralization to the country level, so as to encourage Governments to make the fullest use of national capacity; integrated United Nations system collaboration at the country level; and greater simplification of procedures and formats, with particular emphasis on accepted standards of accountability, both financial and substantive.

56. Document DP/1991/23 sought to link national execution to the facilities of the new support-cost system, and to be responsive to more comprehensive programming approaches. In addition, there should be no doubt that national execution was a concept which invited agency involvement. An increase in national execution did not automatically imply a decrease in agency implementation or an increase in execution by the Office for Project Services.

57. The term "national execution" evoked wide-ranging and often contradictory reactions. The concern of UNDP was primarily with the development impact of its programmes. However, the manner in which the programmes would be delivered and managed was always examined and approved on a case-by-case basis. That was done with regard to institutional capacity and to the technical advice needed.

58. The frequently recommended gradual approach should not be implemented on a project-by-project basis. Gradualism must be approached comprehensively, on a sector- or country-capacity basis, otherwise the development objective of capacity-building would be forgotten.

59. UNDP statistics revealed that, after 15 years of seeking to implement national execution gradually and sensibly, as at 1 January 1991, national execution had accounted for only 12 per cent of UNDP disbursements for 1990, 12 per cent of its commitments and 15 per cent of its ongoing projects, although more than 117 countries had at least one Government-executed project. However, 20 countries accounted for 75 per cent of the expenditure involved.

60. Paragraphs 4 to 11 of the document (DP/1991/23) sought to establish the framework which must be comprehended if national execution was to be further developed and sustained. The framework called for national capacity-building to be the major objective of national execution; for the fullest involvement of the United Nations system in complementing national execution; and for Governments to exercise choice as to varying methods of implementation.

(Mr. Edgren)

61. The demand for high-quality technical cooperation must be satisfied from quality sources. Furthermore, if the national execution outcomes were not sustainable, they would neither strengthen national capabilities for development management nor facilitate self-reliant growth.

62. Paragraph 12 outlined the policy guidance required for developing new programmes in the fifth cycle and beyond. The Council's endorsement of that policy framework would facilitate its continued operational application. It would therefore establish the policy basis for providing further clear and comprehensive operational guidance.

63. Six sets of proposals had been put forward by the Administrator, beginning in paragraph 15, to support capacity-building in national programme management, implementation, administration and accountability: (i) proposals which sought to obtain a comprehensive view of capacity and its strengths and constraints in a particular sector or programme, in order to create the conditions for national execution; (ii) proposals which would provide critically needed managerial inputs to ongoing or future national programmes; (iii) proposals which explained how UNDP assistance would respond to and be integrated into the needs of national programmes; (iv) proposals which facilitated the national implementation of UNDP-assisted projects through government supporting mechanisms; (v) proposals which fully involved United Nations agencies - upstream at programming levels, downstream at implementation levels and throughout the project cycle - in ensuring accountability for substantive programme quality through proper monitoring and evaluation; and (vi) proposals which strengthened financial accountability and helped to simplify procedures.

64. Many of those proposals had been developed from practical examples. They reflected concerns which had emerged from the needs assessments conducted for the fifth programming cycle. They all took into account the links between national capacity and national execution, and reflected the fact that Governments and the United Nations system wished to give full expression to the relevant provisions of General Assembly resolution 44/211.

65. Mr. MEHDI (United Nations Industrial Development Organization) said that the commitment of the United Nations Industrial Development Organization (UNIDO) to the objectives of national execution was unequivocal and unconditional. National management was already the norm in UNIDO-executed projects, particularly in projects whose main aim was to build national capacity. UNIDO was willing to transfer to Governments all project management responsibilities that might be agreed upon.

66. National execution could not be enhanced unless there was first a definition of the roles and functions of the partners in the tripartite relationship. It was important to preserve and strengthen the unique character of multilateral assistance and its technical component, to ensure that the benefits of 40 years of experience, characterized by independence and neutrality, were not lost.

(Mr. Mehdi, UNIDO)

67. In the light of the distinction between execution and implementation outlined in paragraph 15 of document DP/1991/23, and considering that Governing Council decision 90/26 had separated the technical component from the administrative and operational components for reimbursement purposes, he wished to suggest a simpler and perhaps more effective approach to national execution which eliminated the division into two modalities of project execution. Under that approach, all projects would be nationally executed, and Governments would have full responsibility for and control over projects at all stages of the project cycle. All projects would benefit from technical support provided by the specialized agencies concerned, and would be financed through technical support services at the project level (TSS-2) or in accordance with the "old arrangement" for the smaller agencies. That support must include technical appraisal, monitoring, back-stopping and joint evaluation. Governments would determine which project segments they would implement themselves and those for which they would seek agency assistance. UNIDO was prepared to elaborate further on that approach.

68. Mr. FORBES-WATT (Food and Agriculture Organization of the United Nations) said that the Food and Agriculture Organization (FAO) was increasingly being asked to assist with components of nationally executed projects. The amount of agency and national participation appropriately varied from project to project.

69. FAO had observed a certain degree of premature action in the promotion of national execution in the field. It was important to await the results of the debate on the subject in the Governing Council, and of any further debate in the light of General Assembly resolution 44/211, in order to ensure the desired outcome.

70. FAO was also aware that a very substantial number of new nationally executed projects were receiving significant management support. While some of that support was warranted, it should not be a substitute for Government involvement. Input from UNDP's Office for Project Services was also increasing. Further information and monitoring were desirable to ensure that the process of national execution was evolving as envisaged.

71. A recent survey of 60 resident coordinators by the Office of the Director-General clearly showed that an important agency role was foreseen in project implementation as countries moved towards greater national execution, through capacity-building, and advice and assistance to sustain that capacity. The results of the survey would be provided in the Director-General's report to the Economic and Social Council.

72. Mr. CHIBA (United Nations Educational, Scientific and Cultural Organization) said that the United Nations Educational, Scientific and Cultural Organization (UNESCO) welcomed the shift by UNDP from a narrowly focused view of economic development to a broader concept covering the human, social and cultural dimensions of development, and looked forward to continued

(Mr. Chiba, UNESCO)

cooperation with UNDP. National execution was a centre-piece of the Regular Programme activities of UNESCO. National centres of excellence had, since UNESCO's inception, formed the basis of its regional and global networks. While the ultimate goal of all development cooperation was national execution, and that modality should be enhanced, that in itself would not accelerate the development process. Multilateral technical cooperation required a delicate balance among Governments, funding organizations and technical agencies.

73. UNESCO continued to feel that the drive towards national execution appeared to favour a bipartite relationship between UNDP and recipient countries, leaving to agency partners the role of subcontractors. Current procedures and practices had failed effectively to promote United Nations technical agency support for national execution, despite recent Governing Council and General Assembly decisions. UNESCO's concern was further aggravated by the fact that UNDP itself was the most active institution currently furnishing administrative and technical support for national execution, either through increased field office staffing or through its Office for Project Services. UNDP had in effect duplicated back-stopping capabilities built up at considerable cost by the United Nations technical agencies. The worst feature of that duplication was that it seriously weakened the tripartite principle, leaving national institutions without the benefit of the networks, contacts and experience of their agency counterparts. UNDP, in reflecting on its future role, must choose between being a system-wide coordinator and country-level team-leader, on the one hand, and a major executing agency, on the other hand. It was to be hoped that UNDP would opt for arrangements that would lay the foundation for a workable realignment of the roles of the respective agencies.

74. The issue of support costs was intimately related to the question of maintaining the tripartite principle. The new support-cost arrangements were supposed to shift the agency role away from project implementation and towards closer cooperation with UNDP in programming and in providing policy and sector strategy advice, and the technical back-stopping of national project implementation. He questioned whether those key objectives could be attained through the arrangements proposed. With respect to technical support services at the programme level (TSS-1), there was little assurance that agency assessments would be effectively solicited and, when solicited, well integrated into actual programming exercises. The task of matching the analytical work already funded by the agencies with the requirements of UNDP would require trust, common sense and a strong will to overcome procedural barriers.

75. Thus far the agencies had played a marginal role in the formulation of country programmes, national technical cooperation assessments and programmes, and round-table exercises. They often were faced with scepticism about sectoral approaches to programming, as though multisectoral programming somehow could be accomplished without considering the sectoral parts which made up the whole. Moreover, the programme preparation funds available

(Mr. Chiba, UNESCO)

primarily to UNDP from Special Programme Resources were higher than those utilizing the TSS-1 facility. Once the agency role in project implementation had declined, a major share of TSS-2 funds would be available for technical services in support of nationally implemented projects. Those funds should be twice the proposed amount, and should be distributed not according to indicative planning figure (IPF) levels but, rather, either on the basis of the importance of the field of competence of the agency concerned for any given project, or in proportion to the most recent share of national implementation in those fields. The absence of earmarking by agency or sector would lead to a "first come, first served" policy, and the lack of predictability would seriously hinder advance planning of the expected agency co-financing of those services. The problem also affected TSS-1 services.

76. UNESCO preferred the "old regime", because the proposed innovations could be brought about without those complex new arrangements and transition to the new complex system was not cost-effective for UNESCO, whose share of the UNDP programme was about 3 per cent. UNESCO regretted that the support-cost issue had consumed so much of its time and energy. He reiterated UNESCO's appeal to the Council in 1990 that it should adopt decisions which reinforced mutual respect and confidence among the tripartite partners in the United Nations development cooperation system.

77. Mr. Gathungu (Kenya) took the Chair.

78. Mr. INOUE (International Labour Organisation) said that the International Labour Organisation (ILO) was fully committed to the process of strengthening national capacity. The ILO International Training Centre in Turin, in collaboration with UNDP, had been conducting workshops for nationals on the management and assessment of technical cooperation.

79. In the spirit of General Assembly resolution 44/211, the move towards national execution should be Government-led, reflecting each country's needs and capacities, and should be based on objective assessments of past experience. A hasty shift to national execution would have undesirable consequences.

80. All the entities concerned in the United Nations system should support those efforts by providing the services required in their respective fields of competence. Governments in turn should have direct access to those services in accordance with their needs. Marginalization of the agencies should be avoided at all costs. Countries should also make full use of the expertise and capacities that they themselves had built up in their own institutions.

81. Mr. REAZ (Malaysia) said that his delegation strongly supported the promotion of national execution as a means of developing greater responsibility and self-reliance among recipient countries with respect to their technical cooperation programmes. Most Governments would not encounter much difficulty in assuming the responsibilities of national execution, in

(Mr. Reaz, Malaysia)

view of the experience they had accumulated in executing projects funded by the World Bank and other lending institutions. Many recipient countries had not considered national execution seriously, simply because they had had the option of choosing the modality of agency execution.

82. The ability of Governments to become the principal agents in determining the speed and manner of implementation of their country programmes would depend on the extent to which UNDP was guided by their wishes. Since that execution modality was relatively new for most countries, UNDP field offices should be strengthened so that they could provide assistance when asked to do so.

83. It should be up to Governments, which were in the best position to assess their own requirements and capabilities, to decide whether the specialized agencies should be involved in the implementation of UNDP technical cooperation projects. The agencies should take immediate steps to improve their managerial capabilities and technical expertise so that they could play a more effective role, and should develop in-house expertise comparable to that of private consulting firms.

84. His delegation endorsed the various steps suggested to strengthen national capacity for self-reliance. Special management units should be considered only if national capacity was inadequate to support the new responsibilities; if established, they should be located at the counterpart agencies and should be financed by add-on funds or any other fund established under the successor cost arrangements. He welcomed UNDP's efforts to strengthen its field offices in order to streamline project implementation.

85. His delegation did not endorse the contention that technical monitoring and evaluation of nationally executed projects must involve the technical partners of UNDP in order to ensure programme accountability. That assumption undermined the integrity and reliability of Governments. UNDP and Governments should be equal partners in development.

86. His delegation agreed that efforts to foster proper accountability in respect of Government-executed projects should be enhanced, and supported the proposals to that effect. Greater use of private-sector auditing firms would be of particular benefit to countries with sizeable country programmes. The administrative and financial requirements should be simplified to facilitate the accountability process. Lastly, his delegation would welcome additional training opportunities on the various topics relating to national execution.

87. Mr. LIMA (Brazil) said that his Government was making every effort to encourage the implementation of nationally executed projects in its country programme. UNDP continued to play an important role in support of his Government's efforts to create the required internal capacity for that purpose. A national Project Implementation Unit, established in 1990, was responsible for 80 per cent of all projects being implemented by his

(Mr. Lima, Brazil)

Government, and it was hoped that by the end of 1991 it would be implementing all such projects. His Government had always drawn a distinction between project execution and project implementation, along the lines of the one set forth in paragraph 15 of document DP/1991/23.

88. His delegation fully agreed with the proposals in section IV of that document concerning the utilization of additional resources available through the implementation of nationally executed projects.

89. In carrying out its next country programme, his Government planned to focus on select areas which reflected national priorities in respect of which technical cooperation could play a significant role. The specialized agencies should contribute their expertise in technical areas where national capacity was not available. The modalities of national and agency execution could coexist in a country programme or even in the same project.

90. Mr. MUGUMI (Observer for Uganda) said that General Assembly resolution 44/211 and Governing Council decision 90/21 reflected a clear and definitive consensus on the use of national execution as the preferred modality for project/programme execution. Governing Council 90/21 specifically identified the introduction of successor arrangements for agency support costs and the beginning of the fifth programming cycle in 1992 "as an opportunity to pursue and accelerate vigorously" the process of national execution. National execution was a necessary condition for national capacity-building and promotion of self-reliance. The Administrator's report (DP/1991/23) clearly identified the obstacles to the growth of national execution.

91. Uganda had embarked upon making national execution a reality: a national execution unit had been set up in the Ministry of Planning and Economic Development to undertake management of unfunded projects/programmes; all government agencies had been advised that national execution was the preferred modality for project/programme execution, and line ministries must indicate why any potential projects proposed for funding could not be under national execution; a series of national seminars on national execution had been held and had developed a consensus on proposals on key related issues; the Auditor General had been empowered to engage reputable private accounting firms to ensure that audit and financial reports on unfunded projects were properly prepared and on time, and every attempt was being made to integrate all donor-funded programmes/projects into the national development budget.

92. That was where Uganda expected the UNDP Governing Council and the Administrator to support its efforts by removing any further obstacles to the national objective of shifting to national execution as the preferred modality. A number of clear measures needed to be agreed upon by the Governing Council. Firstly, it was necessary to establish a clear framework and guidelines for UNDP's policy, practices, procedures and formats designed to support and promote national execution in countries wishing to expand national execution. Secondly, any conflict of interests involved in the

(Mr. Mugumi, Observer, Uganda)

complex matrix of national execution must be removed, which was why the role of the Office for Project Services in the shift to national execution should be clarified. The integrity of Governments in the national execution process should be respected. Thirdly, strong support must be given to government national-execution units, with a view to providing administrative and procurement services to individual programmes and projects. Fourthly, there must be a clear and genuine commitment by United Nations agencies to support national execution. There were useful proposals in that area in section VII of the report. Lastly, on the issue of the agencies' role in the promotion of national execution, he wished to stress that the agencies must grow and change with the times. He hoped that the senior management of the various organs of the United Nations would have the courage and the vision to commit the agencies to shifting to national execution. He had been encouraged by the statements made by the representatives of the agencies at the current meeting.

93. Mr. KOIKE (Japan) said that the Administrator's report contained proposals that provided a good basis for in-depth consideration of the issue of national execution.

94. Japan was pleased that many recipient Governments had already expressed a commitment to national execution. However, the report indicated that progress had so far been uneven and that it had been concentrated in a limited number of countries. The report also indicated that concern in the Governing Council "over the accountability of the Administrator for the effective use of resources and quality of implementation" had been increasing.

95. A mechanism must be established to support recipient countries in their efforts to overcome their deficiencies and to remove constraints as they strove to build capacity for national execution, and it was also essential to devise ways and means of providing back-stopping by United Nations agencies. The Council had an opportunity to create such a mechanism as it determined the final details of successor arrangements for agency support costs. It was necessary to establish clearly at the current session a general strategy and the roles the various agencies would play in each phase.

96. Reviewing past experience, the report concluded that the project-by-project approach had failed to attract the technical support of the specialized agencies that was necessary for national execution, with the result that the choice of implementing agencies available to a recipient Government was limited. A recipient Government could thus choose a United Nations agency or a government unit.

97. Japan welcomed the approach proposed by the Administrator, namely, a comprehensive dialogue with each recipient Government to determine an overall national execution strategy. The key to success was the participation and commitment of the relevant authorities of the recipient Government. Consequently, it was best to take a more comprehensive and programme-level approach, which should be determined jointly by UNDP and the Government

(Mr. Koike, Japan)

concerned. It was the role of UNDP to organize such a dialogue and to ensure the participation of the relevant United Nations technical agencies in assessing national implementation capacities and, where shortcomings existed, in formulating and implementing programmes to correct them. Under the leadership of UNDP, the United Nations system was making welcome efforts to promote those ends.

98. Japan endorsed the Administrator's view that there was a complementarity between national execution and adoption of a national programme approach. It therefore supported the proposals in paragraph 29 of the report relating to the involvement of the agencies at the programme level. It believed that the proposed inter-agency facility deserved in-depth consideration. At the same time, it regarded as indispensable the recipient Government's contribution from its own IPF or other resources to activities such as training courses. At the project implementation level, full use should be made of the technical expertise of United Nations agencies, and of the TSS-2 facility.

99. It was clear that, to the maximum extent possible, Governments should provide the administrative and operational services required for national execution. Such services should not be used to subsidize Government-related organs and personnel, but rather to compensate external agencies for their services. On the other hand, there was no reason to exclude any competent agencies from providing administrative and operational services. Consideration should also be given to having the Office for Project Services provide necessary services in such areas as procurement, recruitment and financial administration. Competition among the various technical agencies was desirable. By the same token, the resident representatives should act according to a clear set of guidelines, which should take into consideration the concerns expressed by United Nations agencies that had no field representation. The resources saved in that manner should go primarily to programmes to strengthen national execution capacity.

100. Once a mechanism that encouraged national execution had been established, it was important to monitor how the system was working in each country. The national execution modality would not grow unless it was accompanied by accountability. The measures proposed in the report in that connection must be implemented in such a way as to keep pace with the growth of the modality, with back-stopping assistance, as needed, to be made available through the United Nations system.

101. Mr. PETTITT (United Kingdom) said that the Administrator's report (DP/1991/23) was a good attempt to respond to Governing Council decision 90/21. It was important for the concept of national execution to be defined by a Council decision. The United Kingdom had been content with the definitions of both "national execution" and "implementation" proposed by the Administrator the previous year. Those definitions should be endorsed, and not merely noted as mentioned in paragraph 15 of the Administrator's report. That was to say that the definitions should be adopted unless there were other

(Mr. Pettitt, United Kingdom)

wider considerations in the United Nations system, at either the governmental or the secretariat level, which required a different approach.

102. Given the definition of national execution as the modality in which the recipient Government had sole responsibility for the coordination of external assistance and principal responsibility for its design and management, there should be no difficulty in accepting that national execution was the usual modality of execution of national projects, that there need be no special arrangements governing it, and that there need be no implication that national execution was a code-word for "agency exclusion" or "marginalization" The reference to national execution as the ultimate modality would, in those circumstances, become near to a tautology.

103. In so far as agency services had been used to replace government functions in the execution of projects in that new sense, the United Kingdom agreed with the relevant proposals set out in the Administrator's report. The United Kingdom's concern was that the capacity to perform the normal functions of Governments should be developed, and that no new and permanent form of dependence involving UNDP should be allowed to grow.

104. With regard to implementation of projects, the weakness identified in the Administrator's report and in other available documents was the expectation that implementation should be either by an agency or by a Government. The arrangements for the involvement of agencies through cooperation agreements and by other means seemed to need further work, both on the administrative side and on the means of remuneration. The United Kingdom agreed with the emphasis placed in the report - and in the statements made by the representatives of the agencies and by the representative of Japan at the current meeting - on the use of the TSS-2 modality as well as administrative and operational services.

105. The previous year the United Kingdom, Germany and Austria had had reservations with regard to the proposal - incorporated in the proposals on successor arrangements - to transfer the former support-cost provision to the IPFs, while at the same time proposals were being considered for a different approach to national execution and an encouragement of national implementation. They had withdrawn their objection on the basis of an assurance by the Administrator that adequate administrative arrangements would be put in place to ensure that the Administrator would agree to national implementation only if he was satisfied that the capacity to implement the project in question was genuinely in place, or at least capable of being developed in the relevant time. They awaited a further explanation of the arrangements proposed and an indication of what texts or instructions would set out the arrangements with effect from 1 January 1992, when the fifth cycle and the new arrangements began.

106. The introduction of national implementation should not be artificially forced. If there had been some justifiable disappointments in the progress of

(Mr. Pettitt, United Kingdom)

the national execution modality, as earlier conceived, they should have been relieved by the extent of the informed discussion on the matter by the Council, as well as through the initiative started by General Assembly resolution 44/211. The rate of change depended on many factors, often working in different directions. Clearly, in a substantial project the phasing-out of direct agency execution or involvement could be expected, and was a matter which could be designed in.

107. The United Kingdom contributed to UNDP primarily because of UNDP's capacity to engage the resources of the United Nations system in technical assistance in accordance with the tripartite concept. It would therefore always question whether proposals not essentially involving the system outside UNDP at some stage of the cycle were valid ones for UNDP finance. That pragmatic view also took into account the size of UNDP's resources, its relatively complex processes and procedures, and the relative ease of financing projects not requiring involvement of the system from bilateral and other sources.

108. Mr. DEMONGEOT (United States of America) said that Governing Council decision 90/21 had taken note of the definition of national execution without either endorsing it or rejecting it. Project execution, as defined in the 1969 Capacity Study and as used in the Consensus of 1970 referred to the implementation of the UNDP-financed components of a project, which normally comprised the procurement and delivery of external inputs, such as international experts, equipment and fellowships. That was then exclusively the responsibility of the executing agency, normally a specialized agency, whereas the recipient Government was responsible for the implementation of the domestically-financed components of a project. In principle, recipient Governments had retained the responsibility for the overall formulation and management of UNDP-assisted projects. On a practical level, however, agency execution of UNDP-assisted projects had led to two major problems.

109. The first problem had been that the locus of project management had tended to shift from the country where the project was being implemented to the headquarters of the executing agency. The second problem had been that the responsibility of specialized agencies to provide technical support to UNDP-assisted projects had become inseparable from their responsibility, as executing agencies, to deliver externally-financed project inputs. Thus, when government execution had been introduced, in large part to address the first problem, the transfer of project execution responsibilities to Governments or, in reality, to UNDP field offices had been automatically accompanied by the withdrawal of technical support by specialized agencies. That second problem had now been addressed by Governing Council decision 90/26. However, the provisions in question applied only to the five major executing agencies.

110. Governing Council decisions 90/21 and 90/26 both encouraged national assumption of administrative and operational support functions when national capacities existed. But they also called for national assumption of programme

(Mr. Demongeot, United States)

and project management responsibility, whether or not administrative and operational support was provided by an external agent. Thus the Administrator's proposals to redefine project execution and to distinguish between "execution" and "implementation" were consistent with the intent of decisions 90/21 and 90/26. The United States agreed, therefore, that national execution should not be equated with the assumption of administrative and operational support functions, which the Administrator referred to as implementation.

111. While the new distinction between "execution" and "implementation" was clearly applicable to the five major agencies covered by the new support-cost arrangements, it was not as easily applied to the agencies remaining under the current support-cost regime, including the World Bank and possibly the Office for Project Services. It appeared to his delegation that the old definition of project execution still applied in those instances.

112. One also should be careful not to define project execution only in terms of national assumption of programme responsibility. National assumption of responsibility for programmes and projects indeed was a necessary condition of national execution, but it was not a sufficient condition. National execution also required national assumption of accountability for the use of UNDP resources. The United States believed that that constituted the critical difference between national execution and agency or direct execution. It was the responsibility of the UNDP resident representative, when considering whether or not a project should be nationally executed, to determine whether the government agency or national institution concerned had the capacity to discharge accountability functions effectively.

113. If the Governing Council accepted the broad definition of national execution, and the distinction between "execution" and "implementation", then UNDP should no longer speak of the "introduction" of national execution, as if it were still an administrative modality. Instead, UNDP and the United Nations system as a whole should assist in building up or strengthening appropriate management structures within government agencies and national institutions responsible for UNDP-assisted and other development programmes and projects. There was no substitute for that process. The expedient of setting up temporary project or programme management units, supported by UNDP field offices or the Office for Project Services, could only hinder real capacity-building.

114. The United States was therefore somewhat concerned by the emphasis in the Administrator's report on the role of UNDP field offices and the Office for Project Services in providing direct support to national management and implementation, and in mobilizing management resources, nationally and internationally, to supplement the existing capacities of the national agencies or institutions responsible for programme and project management. It was more important to build up permanent, sustainable capacity in those national agencies and institutions than artificially to accelerate the growth

(Mr. Demongeot, United States)

of national execution and implementation through reliance on UNDP field offices, the Office for Project Services and externally-supported "parallel" management structures.

115. UNDP had a very important role to play in assisting Governments in assessing programme management and administrative support capacities across sectors, in formulating appropriate capacity-building strategies, and in implementing those strategies. It was in support of that process of capacity-building assistance that UNDP should mobilize the expertise of the United Nations system, as well as national management expertise available outside government agencies.

116. That capacity-building assistance should include the strengthening of accountability functions. Since the capacity to perform such functions had been a continuous problem, strengthening that capacity should be an essential part of UNDP-supported national capacity-building strategies. It was only after the necessary programme management and administrative capacity was in place that UNDP field offices should assist national agencies and institutions in meeting specific UNDP requirements with respect to accounting, reporting, auditing and the like. The role of UNDP field offices, however, should be purely advisory. If transitional assistance was needed, it should be provided by agencies or the Office for Project Services. Such assistance might be funded from the IPF sub-line. General capacity-building assistance, however, would have to be financed from other sources, such as the Management Development Programme or regular IPF funds. The United States was concerned that adequate resources might not be available for that purpose.

117. The United States agreed that the programme approach, national execution and decentralization to the country level were all essential elements of a more effective tripartite system of cooperation. It was only at the programme level that capacity-building assistance in the field of programme management and administration could be effectively integrated with efforts to build up technical capacity. However, the United States again wished to caution against the creation of temporary programme management units.

118. The United States realized that, over the past year, the attention of UNDP and the agencies had been monopolized by the support-cost issue. As a consequence, there seemed to have been inadequate consultation between UNDP, agencies and Governments on the formulation of concrete proposals for assisting recipient Governments in building up their programme management and administrative capacities. The United States would like such proposals to be available for review by the Standing Committee for Programme Matters at its next inter-sessional meeting.

119. The United States would also like UNDP to develop, in time for review by the Standing Committee at its next inter-sessional meeting, a set of guidelines for the formulation, appraisal, monitoring and implementation of nationally executed projects. The guidelines should specify what actions were

(Mr. Demongeot, United States)

required at various stages of project implementation, and should consequently be included in project documents prior to approval. There should be clear procedures governing the respective roles of UNDP, agencies and recipient Governments during the phases of the project cycle.

120. Lastly, the United States expected that the Standing Committee would have an opportunity at its meeting in February 1992 to review the well-thought-out proposals for a programme approach to technical cooperation and capacity-building.

121. Mr. KRUGER (Nicaragua) said that the United Nations system, and UNDP in particular, had been of crucial importance in the struggle for peace, reconciliation and economic viability in Central America. Like the administrations of other countries in the region, his Government was well aware that its primary responsibility was to build democracy in the post-war era, and was proceeding to do so with the support of all its people. The task of managing the transition from war to peace, economic recovery and social justice was extremely complicated, but the Government was striving to ensure that the costs of economic adjustment were equitably distributed among the entire population. The economic programme adopted at the beginning of March 1991 had broken a 39-month cycle of hyperinflation, and there were clear indications that confidence in the country was beginning to be restored. Serious problems remained, including an unemployment rate of 40 per cent and a level of per capita income barely equivalent to that achieved in the late 1940s. Conflicts of opinion, as in any country, were inevitable, but a firm commitment to democracy should ensure their eventual solution.

122. Central America could and must build democracy and fulfil its commitments to human rights through a civilized solution of its conflicts. Major progress had been made on the path towards that objective at the Esquipulas meetings, in the efforts undertaken by the region's Presidents and particularly through the Arias Plan. His country's people was well aware of the crucial stage it had reached in its history as it sought to join in the process of human development without poverty, of development of, for and with people, as well as in the strategy for equitable productive transformation proposed by the Economic Commission for Latin America and the Caribbean. The Government had adopted the fifth-cycle priorities for UNDP cooperation, and placed special emphasis on regional programmes such as the Special Plan of Economic Cooperation for Central America. It needed international cooperation, particularly the cooperation provided by UNDP, from which it had already learned the importance of national execution. If international cooperation, in its turn, were to become more flexible, to take account of national priorities and to bring its management procedures into line with the real requirements of the countries concerned, its contribution to development would be even more beneficial.

123. UNDP had already been very successful in achieving such a balance in his country. Its support had contributed to the processes of transition,

(Mr. Kruger, Nicaragua)

reconciliation, harmonization, economic revitalization, popular participation, and reform and modernization of the State apparatus. The assistance of UNDP in analysing the technical cooperation requirements submitted to the World Bank consultative group and the Management Development Programme were of great value. The Special Programme for Central America had been instrumental in arranging emergency assistance for the region, as well as in organizing the International Conference on Central American Refugees and the Programme in favour of Displaced Persons, Refugees and Returnees, without which progress towards peace would have been impossible. The advantages of the Special Programme were such that it could serve as an example for other regions while, in the case of Central America, leading to new strategies, such as emphasis on social development, environmental protection, policies covering the private sector, advice on the rationalization of economic policies, and the strengthening of external trade.

124. Plans for his country under the fifth programming cycle regarded the building of post-war democracy as a specific objective of cooperation, with productive employment, action on behalf of vulnerable groups, preservation of the environment, housing, health, education and culture as its main components. UNDP had understood his country's historical situation and immense possibilities, and was working side by side with the Government in addressing the misery caused by war. The country had a tradition of dignity and perseverance, and a capacity both for great suffering and great achievements. Like the rest of Central America, it would, with the help of the international community, overcome its current difficulties and put them behind itself for ever.

The meeting rose at 1.15 p.m.